

DURHAM



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CITY OF MEDICINE

May 15, 2017

Mayor Bell and Members of the Durham City Council:

I am pleased to present the proposed fiscal year 2017-18 budget, the culmination of months of work with input from many residents who shared their priorities and vision for Durham. Each year the budget process helps us focus on the most important issues and priorities for our community. The City's Strategic Plan serves as a guide for our proposals and decisions. Staff reflect upon the value of the services we provide and recognize that the decisions we make today will impact Durham's future.

This year the City's budget comes during a time of great change and transition, not only for our country, but for Durham as well. As we look toward the next fiscal year and continue to discuss our vision for the future of Durham, this is an opportunity to look back at what we have accomplished under the leadership of our out-going Mayor. Projects like the Durham Performing Arts Center (DPAC), the renovation of the American Tobacco Campus, and the revitalization of Southside have helped lay the foundation for Durham to be a place where great things happen. Newer residents of Durham may find this hard to believe, but there were many naysayers in the community when DPAC was proposed. Thanks to the leadership of Mayor Bell, his vision of a thriving downtown with a world-class venue became a reality. Before the American Tobacco Campus became an example of innovative economic development, it was an eyesore and reminder of how far Durham had fallen. Owing to the efforts and dedication by the Mayor, City Council, and community leaders who were able to make the public-private partnerships possible, these projects transformed our City and community.

The future is as exciting as our past. As any visitor to downtown Durham can attest, the sound of construction and the sight of cranes are now as common as the smell of tobacco once was. The One City Center project is currently changing the skyline of Durham and will bring office space and residents to downtown. This year ground also broke on the new Durham Innovation District, an exciting research space that will bring jobs and businesses to downtown. Outside of downtown, the Mayor's T<sup>2</sup> Transformation in Ten Initiative (formerly Poverty Reduction Initiative) is actively working to improve the lives of some of our most vulnerable residents. The investments the City has made in the Southside neighborhood has revitalized the area and allowed for many longtime residents to stay and share in those changes. Also this year, the Durham Bike + Walk Plan worked with the community to identify projects that will help us connect our City and improve the mobility and health of our residents.

Durham has come a long way thanks to the leadership and guidance of the Mayor and City Council; however, there is still work to be done to continue improving the lives of Durham residents. Throughout this budget process we heard from residents and community leaders about the importance of affordable housing and ensuring that longtime residents of Durham can continue to stay in the City they love. To acknowledge that priority, we have included a 1 cent property tax increase to help fund the Five-Year Affordable Housing Strategy. We also heard from residents wanting to see improvement in the quality of their neighborhood streets. As a result, we are committing \$6.6 million to street resurfacing and maintenance efforts, which is \$3.6 million more than we had initially planned for the upcoming year. Based on feedback from City Council and work from our Parks and Recreation department, the proposed budget includes a pilot program to eliminate fees and allow more youth to have access to City recreation facilities and programs.

As the City of Durham continues to grow, this budget also includes investments in our community's future. In fiscal year 2017-18, we will be bringing on an additional 30 fire fighters to staff the new Station 17. This allows the City to continue providing emergency response to our ever-growing population. This year we will also invest \$121.5 million in capital projects to upgrade and expand our water and wastewater infrastructure, allowing the Water Management department to provide water to their customers in an efficient and effective manner.

With these investments in our future, Durham will continue to work toward being a City where people of all backgrounds want to live, work, and play.

## THE BUDGET DEVELOPMENT PROCESS

This year's budget deliberation process included many opportunities for discussion and community input. This process is challenging, however I believe that it leads to a sound proposed budget that reflects not only the priorities of City Council and staff, but also the priorities of the residents of Durham.

Durham has an outstanding reputation for resident participation in the budget process and this year we improved our efforts from previous years. During this year's budget development process, City Council members attended five "**Coffees with Council**" to gather input from residents. Two public hearings were also scheduled to receive comments from residents. The first hearing to receive input on priorities for the upcoming year was held on March 6th. The second public hearing will be held on June 5th to receive feedback on the proposed budget.

In an effort to expand the number of residents who have their voice heard in the budget process, Budget & Management Services partnered with Public Affairs to distribute a budget priority survey out to residents of Durham. **The one-question survey asked residents to rank seven City services in priority order. Outreach efforts included presenting to 21 community groups and sharing the online survey through the City's many communications tools. Overall, we heard from 2,139 residents as part of the new effort.** Those residents overwhelmingly thought that sidewalks should be a priority for the City, with more than 60% of respondents putting it as a top three priority. Approximately 55% of respondents thought trails and greenways were a top three priority. And over 50% had parks and open space as a top three priority.

The **City Council budget retreats** were held in February, which provided an opportunity for City Council members and staff to discuss and confirm priorities for the upcoming fiscal year. Staff also briefed City Council on financial projections, feedback from residents, and major initiatives for the upcoming budget.

In addition to the engagement efforts undertaken as part of the budget process, the City also worked with a consultant to conduct the annual **Resident Satisfaction Survey** to get a representative snapshot of how the City of Durham is providing services to our residents. In 2016 Durham continues to deliver, as 80% of residents feel that Durham is a good-to-excellent place to live, and 73% are satisfied with the overall quality of life in their neighborhood. In 2015, the City began partnering with Durham County to conduct the survey and added Durham Public Schools as a third contributor in 2016.

The Resident Satisfaction Survey assesses how well the City is achieving its vision and mission with both quality of life and service quality questions. It also provides feedback on what services or priorities need to be addressed from the residents' perspective. Since it is administered annually, departments can assess how well their work is impacting key targets and implement new ideas to better achieve progress. Through our new performance management software system, departments now have the capability to better track performance related to the Resident survey and are better able to communicate results. The full roll out will occur in FY2017-18 and will provide a better tool to track how we are doing, how well we are progressing and whether or not what we are doing is improving results.

The community priorities that come from these many interactions generally fall into one or more of the goals outlined in the Strategic Plan:

- Strong and Diverse Economy
- Safe and Secure Community
- Thriving and Livable Neighborhoods
- Innovative and High-Performing Organization
- Stewardship of City's Physical and Environmental Assets

## BUDGET GUIDELINES

The City Council adopted budget guidelines to inform the development of the budget. These guidelines, along with the Strategic Plan, served as the framework for developing the budget, and include:

- The tax rate for the **General Fund** will be at least **32.99 cents** (per \$100 assessed value), including an **increase of 0.79 cents to support new public safety initiatives**. An **additional tax rate adjustment up to 0.93 cents** (per \$100 assessed value) may be considered to cover the unfunded portion of **implementation the police and fire pay plans**.
- **The tax rate for debt service and cash funded capital will not exceed the current rate of 13.02 cents** (per \$100 assessed value) including fleet replacement.
- **Fund balance** in the **General Fund** will not be projected to fall **below 12%** at the end of **FY2017-18**.
- The tax rate for the **Solid Waste Fund will not exceed 6.29 cents** (per \$100 assessed value). This represents an increased allocation from the General Fund tax rate in the amount of 0.16 cents to fund increases in indirect costs.
- Funding of the Downtown **Business Improvement District (BID)** shall remain at **7 cents** (per \$100 assessed value).
- The tax rate for the **Dedicated Housing Fund** should be at least **1 cent** (per \$100 assessed value). An **additional tax rate adjustment of up to 1 cent** (per \$100 assessed value) may be considered to fund the Five-Year Affordable Housing Goals.
- The **Transit Operating Fund** tax rate allocation will be reduced to 3.56 cents (per \$100 assessed value) due to the elimination of the fund deficit. Consideration of **additional new/expanded services** included in the update to **Bus and Rail Investment** plan will require an increase in the property tax rate allocation.
- **Non-recurring funds** should not be directed toward recurring uses.
- A tax rate increase may be considered to **fund new initiatives** with recurring cost that cannot be otherwise funded.
- **Fee adjustments** will be considered, as appropriate, to align fee revenues with cost of services for better cost recovery rates.
- Proposed **water and sewer rate** increases will not exceed an average of **3.0%**.
- **Stormwater rates will remain unchanged** for the **FY2017-18** fiscal year.
- **Funding for 30 additional fire fighters (30 new FTEs)** will be included in the general fund budget supported by a tax rate increase of 0.67 cents.

- Funding to support the **Community Oriented Policing Services (COPS)** grant will be supported by a tax rate increase of 0.12 cents.
- **Parks and Recreation - Expansion of Services for Youth and Fee Free Services** will be considered at an additional tax rate increase of .20 cents (per \$100 assessed value).
- The dedicated **Street Resurfacing Fund** will be increased by at least **\$1,000,000 and up to an additional \$2,000,000 from fund balance** will be considered FY2017-18.
- Funding for **deferred maintenance** will increase by **\$100,000** from **\$700,000** for FY2016-17 to **\$800,000** for FY2017-18.
- **Fleet replacement funding** for the General Fund will be provided in accordance with the Fleet department's **10-year recommendation plan** within the debt model.
- General Fund balance will be used to fund **phase 2 of the sworn Police take home vehicle initiative**.
- New funding priority will be given to those requests that support the **Strategic Plan** including **initiatives that address quality of life issues**.
- City employees are at the core of City services. One objective under **Goal 4 of the City's Strategic Plan** is to “**establish an exceptional, diverse, engaged and healthy workforce**”. Attracting and retaining a competent, high quality workforce is essential to being a high performing organization. Therefore, we will continue to consider employee compensation adjustments as a priority. **The following pay and benefit components will be proposed:**
  - Pay for Performance pay plan for General employees –budgeted 4.0% average (flat with FY2016-17).
  - Pay Plan for sworn Police employees – 5.0% average (0.5% increase).
  - Pay Plan for sworn Fire employees – 5.0% average (1.0% increase).
  - Supplemental Retirement-401K – remain at 5.0%
  - Medical Insurance for all employees – average increase for the City 11.5% and employees 8%.
  - Dental insurance – cost will remain flat – for both the City and employees

## BUDGET OVERVIEW

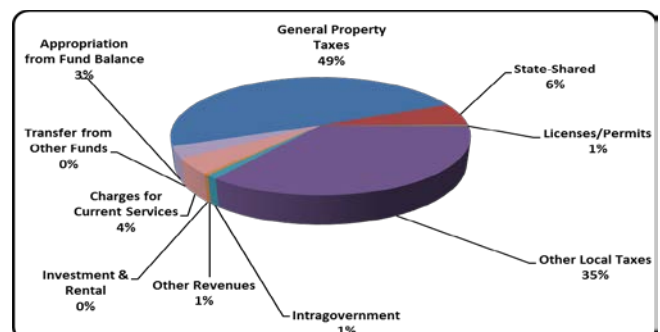
The total proposed **budget** for **FY2017-18** is **\$429.4 million** compared to \$404.9 million for FY2016-17, an **increase of \$24.5 million (6.1%)**.

## GENERAL FUND

The General Fund budget (which provides funding for core city services) is **\$189.4 million** and represents a **\$8.1 million (4.7%) budget increase** from the FY2016-17 budget of \$180.9 million.

### Revenues (budget-to-budget)

- A 5.3% increase in property tax revenues recognized in the General Fund.
- A 6.2% increase in Other Local Taxes.
  - A 8.9% increase in sales tax revenue
  - A 7.0% increase in Hotel Occupancy Tax
- A 2.2% decrease in State Collected Local Government Revenues.



- A 2.5% increase in Powell Bill revenue
- A 2.0% increase in Beer and Wine tax
- A 17.2% decrease in Telecommunications Franchise tax
- A 1.6% decrease in Video Utility Franchise tax
- A 2.0% increase in ABC revenues
- A 6.7% increase in Charges for Services.
  - A 3.9% increase in development fees (Planning)
  - A 3.9% increase in communications center and radio maintenance revenues (E-911)
  - A 54% increase in technology surcharge fee (related to inspections activity)

This budget appropriates \$6.1 million from fund balance which is a 20.5% decrease from FY16-17. Due to the substantial savings in Fiscal Year 2016-17, the City is poised to have a 27.55% general fund reserves to safeguard against economic uncertainty or emergency conditions.

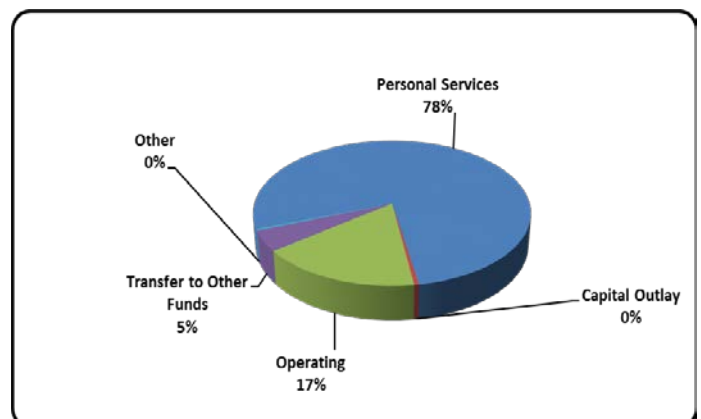
## Property Tax Rate

- The **proposed property tax rate is 57.86** cents per \$100 of assessed value.
- The **tax rate is allocated** as follows:
  - 32.99 cents per \$100 for General Fund operations
    - Decrease of 0.16 cents per \$100 (offset with higher indirect costs from Solid Waste Fund)
    - Increase of 0.55 cents per \$100 shifted back to General fund from Transit Fund
    - Increase of 0.79 cents per \$100 for 30 new firefighters and .12 cents per \$100 for the Community Oriented Policing (COPS) grant.
  - 13.02 cents per \$100 for Debt and Capital Projects
  - 6.29 cents per \$100 for Solid Waste
    - Increase of 0.16 cents per \$100 as noted under General Fund to offset increased indirect costs
  - 3.56 cents per \$100 for Transit
    - Decrease of 0.55 cents per \$100 as noted under General Fund
  - 2.0 cent per \$100 for Dedicated Housing Fund

**A tax rate of 57.87 per \$100 assessed value generates a tax bill of \$1,048 on a house valued at \$181,104** which is the median house value for the City of Durham according to the Durham County Office of Tax Administration.

## Expenditures (budget-to-budget)

- Personnel expenditures increased by \$6.94 million (4.9%).
- Operating expenditures decreased by \$2.48 million (-7.3%)
- Transfers increased by \$3.5M (68%).



## WATER AND SEWER FUND

The **Water and Sewer Fund budget of \$100.2 million** adequately supports water and sewer operations as well as an increase in the capital projects related to replacing and upgrading the City's water infrastructure.

### Revenues

Moderate increases for water and sewer volume charges and service charges are budgeted for FY2017-18. **The total rate increase to the average customer is about 2.6%.** Rate changes are proposed to become effective July 1, 2017, with implementation in the August and September billings.

	FY 17 Rates	FY 18 Rates
<b>Monthly Water Rates</b>		
Service Charge	\$ 6.92	\$ 7.15
Volume Charge - Tiered Rates (per 100 cubic foot - ccf)		
Tier 1 (0 - 2 ccf)	\$ 1.88	\$ 1.93
Tier 2 (>2 - 5 ccf)	\$ 2.83	\$ 2.91
Tier 3 (>5 - 8 ccf)	\$ 3.10	\$ 3.19
Tier 4 (>8 - 15 ccf)	\$ 4.06	\$ 4.16
Tier 5 (>15 ccf)	\$ 6.07	\$ 6.23
<b>Monthly Sewer Rates</b>		
Service Charge	\$ 7.69	\$ 7.91
Volume Charge (per ccf)	\$ 4.07	\$ 4.16

These rate changes account for the increase in water and sewer user revenues over the FY2017-18 budget. Overall Water and Sewer Fund revenues are budgeted to increase 6.5%.

### Expenditures

Water and wastewater Capital Improvement Program (CIP) projects total **\$121.5 million to improve the infrastructure** required to ensure adequate water supply, treatment and delivery for FY2017-18. A \$32.4 million transfer to the CIP is planned for FY2017-18, about \$10.4 million more than the amount transferred in FY2016-17.

## HIGHLIGHTS OF THE FY2017-18 BUDGET

As stated earlier, the City aligns all of its activities with the citywide Strategic Plan goals: (1) Strong and Diverse Economy, (2) Safe and Secure Community, (3) Thriving, Livable Neighborhoods, (4) Innovative and High-Performing Organization, and (5) Stewardship of City's Physical and Environmental Assets.

The City's FY2016-2018 Strategic Plan was adopted by City Council on June 15, 2015. During the update process, goals, objectives, outcome measures, initiatives, and key priorities were all assessed, with new measures and initiatives added. An important component of the Strategic Plan is engagement of residents, stakeholders, and City staff in an effort to understand their vision of the five Strategic Plan goals and their ideas for specific projects and activities.

The Strategic Plan's new outcome measures, objectives, intermediate measures, and initiatives were reported for the first time during FY2015-2016 at [DurhamNC.gov/StrategicPlan](http://DurhamNC.gov/StrategicPlan). At the last update, a majority of the current initiatives are meeting or slightly below target. In addition, 31 of the 60 initiatives have been completed. The organization has made much progress during the second fiscal year of the new plan but an emphasis on implementation is needed to continue this momentum.



This May, the Strategic Plan Resident Dashboard received a new look. This new streamlined version of the plan is easier to understand and will hopefully be inviting for residents to explore and learn more about where the City is going and how we plan on getting there.

## INNOVATIVE AND HIGH-PERFORMING ORGANIZATION

Provide professional management that encourages a culture of innovation, collaboration, and transparency to deliver quality services through an exceptional, diverse and engaged workforce.

### Foster a Culture of Innovation

During FY2016-17, the Office of Performance and Innovation focused on three initiatives that helped create the innovation capacity to successfully be awarded \$1.2M over three years as part of the **Bloomberg Philanthropies Innovation Team Grant Project. In FY2017-18 funding will be provided to address challenges facing “Justice Involved Youth.”** Funding will support 3 FTE’s that will utilize human centered design to co-create potential solutions with the community around not only the economic vitality of justice involved residents, but also violent crime and poverty. Having a Strategic Plan goal focused on creating a high performing and innovative organization has laid the groundwork for successfully receiving the Bloomberg Innovation Team grant.

**IdeaStarter: Funding of \$10,000 is provided in FY2017-18 to support a second round of employee idea generation and prototyping.** These ideas have the potential to create a cost savings for the City, make a process or service more efficient or effective, and/or improve the overall community. Ideas were collected from employees during November and December 2016. Over 60 ideas were submitted from Durham employees that focused on internal changes to improve a process or lead to better customer service. **Five ideas were selected as finalists to be prototyped during FY2017-18.**

**IdeaLab: During FY2017-18, the City and County of Durham are jointly making time and space for innovation. The focus of FY2017-18 will be on process improvement strategies.** The goal is to equip employees, so they can make process improvement in their departments during FY2017-18. The vision of IdeaLab is for employees to take the concepts they learn back to their departments, thereby empowering employees to look for ways to continuously improve and innovate. The Office of Performance and Innovation supports the effort through staff time and resources working with departments to identify and facilitate process improvements.



**What Works Cities: During FY2017-18 the City of Durham will continue working with What Works Cities to implement innovative approaches related to open data and performance management.** The City of Durham was accepted as a What Works City in 2017 and has worked with Johns Hopkins Center of Government Excellence to strengthen both performance management and open data policies. The work has focused on supporting the launch of the Development Services Center through creating a performance analytics framework for a data storing process so departmental stakeholders can more

easily share data and focus on areas of potential improvement throughout the development review process. **Work in FY2017-18 will include updating the Open Data Policy as well as fostering a culture of performance analytics using data to improve operations real time.**

### Leadership & Employee Development

Several recent surveys have indicated a desire among our employees for more professional development opportunities. In order to provide increased development options for all City of Durham employees, this budget includes funding to **implement the Strategic Training Plan.** Highlights for the FY2017-18 fiscal year include:

- Training for all employees on the City’s values and basic job behaviors and business-success competencies to strengthen the City’s culture

- Customized academies for leaders at all levels, including front-line supervisors and middle managers
- New courses and curriculums, designed for the City of Durham
- Assessments to better understand our employees' strengths and training gaps

In addition, the FY2017-18 budget funds two important initiatives designed to increase equity within the City. **The Diversity Recruitment Initiative** will use targeted advertising to increase the applicant pool of qualified females and/or minorities for positions in which they are underrepresented. The City will also provide Racial Equity Training for an additional 150 employees throughout the organization.

### **Employee Compensation and Benefits**

The City offers comprehensive benefits to all employees. Funding is provided to support a budgeted average general employee pay increase of 4.0% and to support a budgeted average police and fire employee pay increase of 5.0%. In accordance with State Statute, the city's contribution to the Local Government Employees Retirement System (LGERS) for general employees is increasing from 7.25% to 7.50%. Law enforcement officers will increase from 8.0% to 8.25%. The City also provides additional retirement savings through an employee 401K which remains funded at a rate of 5.0% of eligible employees' salary. State statute requires local governments to contribute 5% for sworn law enforcement officers. Due to increasing costs and reduction of the Insurance Fund reserves, health insurance premiums will increase by 25% for Core, 15% for Basic, and 10% for Blue Local plans. There are no rate changes for dental insurance premiums for FY2017-18. In the upcoming year, all employees will receive Total Compensation Statements which will itemize all forms of compensation provided to an employee, including salary, leave accruals, health, dental, 401K, retirement, life insurance, and items like the Employee Assistant Program.

### **Employee Satisfaction Survey**

**The City's biennial Employee Satisfaction Survey was conducted in spring 2017 with an overall participation rate of 73% (70% participation rate is excellent).** Results will be shared with Department Directors and employees during the month of May and City Council will receive a presentation in early June. City Administration and affected departments will then develop action plans to address areas of concern.

### **Cyber Security**

Based on the recommendation from the most recent security audit, as well as benchmarking data from municipalities, funding is allocated for a Cyber Security Program. This program will greatly enhance the protection of the City's sensitive information by funding a **Senior Security Analyst** and necessary software to track cybersecurity threats. As a best practice, the City will also perform annual city-wide technology security audits.

### **Awards and Recognitions**

The City of Durham has won three national recognitions for its financial accountability and reporting to Durham's residents, **which makes it one of only two North Carolina cities to hold all three major awards from the Government Finance Officers Association of the United States and Canada (GFOA).**

- **The City of Durham has been recognized for the 28<sup>th</sup> consecutive year for its budget reporting by the Government Finance Officers Association (GFOA),** a professional association of more than 18,000 members throughout North America that has served the public finance profession since 1906. The GFOA's Distinguished Budget Presentation Awards Program is the only national awards program and the highest form of recognition in governmental budgeting.
- For the 13th consecutive year, the GFOA recognized the City for outstanding achievement in **Popular Annual Financial Reporting for its annual publication, the Citizens' Financial Report.** The Citizens' Financial Report provides an overview of the City's financial condition and summary of the City's progress during the previous fiscal year. This year's award is for the fiscal year that ended June 30, 2016.



- In addition, for the 32nd consecutive year the GFOA has also awarded the **Certificate of Achievement for Excellence in Financial Reporting for the City's Comprehensive Annual Financial Report (CAFR)**. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

**Durham was recognized by the federal government for effectively ending chronic veteran homelessness.** The U.S. Department of Housing & Urban Development (HUD), U.S. Department of Veterans Affairs, and the United States Interagency Council on Homelessness notified the City that the Durham community has effectively ended chronic homelessness among disabled veterans. This achievement was made possible through a coordinated effort facilitated by the Durham Homeless Services Advisory Committee, bringing together partners from across public and private sectors, the federal government, and multiple non-profit homeless housing organizations.

**Durham Named 2016 Digital Cities Survey Winner.** The City moved from 8th Place Win Last Year to 1st Place Win This Year in its Population Category. **The Technology Solutions Department was nationally recognized again for its technology use to improve transparency, security, and IT infrastructure and the work of the City's strategic planning leadership team to align IT and other initiatives to the Strategic Plan goal of an Innovative and High Performing Organization, and the City's new website**, which was a finalist in the 2016 Best of the Web Award for Excellence. Other accomplishments noted were Durham's open government and open data programs that offer mobile access to services and information, such as the new resident engagement initiative City Hall on the Go! — a Wi-Fi-enabled truck that takes City services to neighborhoods and events.

**The City's Fleet Management Department has been named to the 100 Best Fleets in the Americas™ for 2017.** Durham ranked in seventh place, which is the highest ranking North Carolina city on the list and the highest ranking achieved to date by the department. **The 100 Best Fleets Program recognizes and rewards peak-performing fleet operations in North America. This awards program identifies and encourages ever-increasing levels of performance improvement within the fleet industry.** The 100 Best Fleets award is based on numerous criteria including standard operating procedures, business plans, emergency operations planning, service level agreements, insourcing guidance, cost analysis, safety, audit criteria, and benchmarking.

**Durham Recognized in Top 50 Leading Fleets for 2017 by Government Fleet magazine and the American Public Works Association.** The awards program recognizes operations that are performing at a high level, particularly in fleet leadership, competitiveness and efficiency, planning for the future, and overcoming challenges

## **SAFE AND SECURE COMMUNITY**

Provide safe and secure neighborhoods which are fundamental to the quality of life and economic vitality of the City by helping the community enjoy a strong sense of personal safety.

### **Public Safety**

Funding for **Active Assailant Equipment** to implement an Active Shooter Emergency Response Plan, following the guidance and recommendations of the United States Fire Administration and the Federal Emergency Management Agency. This program will be developed through a collaborative effort between the Durham Police Department and the Durham Fire Department.

Funding for **Fire Station 17 Staffing (30 FTEs)** to add two new fire companies to Fire Station 17 to account for the current and projected increase in population density. Fire Station 17 is currently under construction at the corner of Doc Nichols Road and Leesville Road.

Funding is included for year two of the **Take Home Car Program** to encourage City residency and provide increased police presence within the community.

Funding to add three FTEs for **Audio Video (AV) Support** to support the Police Department's growing audio/video programs including body worn cameras.

Funding for replacement of the **Police Department's oldest Mobile Data Computers (MDC's)**. The initiative will support a four-year replacement cycle, which is consistent with the program's previous replacements. The department's current MDC inventory totals 217 with 28 more on order for the Take Home Program for a total of 245 in FY17.

Funding for **police in car camera (ICC) replacement program**. The inventory totals 176 cameras; the funding is to start an annual replacement of 30 cameras per year. Replacements will target units that are out of warranty causing frequent downtime and excessive repair expenses.

Funding is included to support contracts with the Administrative Office of the Courts (AOC) for a **Domestic Violence Judge, Domestic Violence Assistant District Attorney, Witness/Victim Legal Assistant, and Gang Assistant District Attorney**.

The Office of Justice Programs has awarded Durham County a two-year **OJJDP grant to implement the Cure Violence Model** (aka Bull City United). The City of Durham is being contracted to provide the services of a **Crime Analyst**, which will be assigned to the Criminal Intelligence Unit within the Durham Police Department. This is a full-time position (with benefits) for the duration of the grant, which is two years from the date of hire. Currently there are five Crime Analyst and one Supervisor position that are supported by the DPD General Fund budget.

## **THRIVING AND LIVABLE NEIGHBORHOODS**

Strengthen the foundation, enhance the value and improve the quality and sustainability of neighborhoods.

### **Affordable Housing**

The FY 2017-18 proposed budget includes an additional 1 cent (per \$100 assessed value) funding for the Dedicated Housing Fund to support the Five Year Affordable Housing Plan. This plan will allow the City to create, preserve or repair 1,150 affordable units over five years. Each year the plan aims to create 75 affordable rental homes, preserve 70 rental homes and create or repair 70 owner occupied homes.

### **Parks and Recreation**

Following recommendations from City Council, Parks and Recreation staff conceptualized a **new Teen Program** that will include enhanced programming and marketing for youth and teens. The Teen Program will include drop-in programs during the afterschool time of 3 pm – 7 pm at four recreation centers, with implementation in September 2017. There will be a part-time Marketing Coordinator, which will allow staff to provide the increased marketing support necessary to implement a marketing campaign designed to increase teen participation in this and all programs. **This campaign will also include the development of a Teen Marketing Ambassador program (1 staff per center, ages 14-17), a mobile friendly, fresh/timely website, and an increased social media presence.**

Following recommendations from City Council, **this budget eliminates additional fees for youth/teens in an attempt to increase turnout by decreasing potential barriers to access.** For FY2017-18, eliminated fees for youth/teens will include: Daily Passes, Lap Swim, and Outdoor Pool Admissions.

Parks and Recreation staff has developed a **signage system to mark the entrance to Durham Parks**. The approved FY2017-18 initiative will be an expansion of this system to enhance wayfinding to City park and trail assets, to advertise interior park assets, and to show ownership and display park rules.

### **Housing and Code Enforcement**

Neighborhood Improvement Services will continue to **enforce compliance** at substandard properties, remediate unsafe houses, clean up weedy lots, and remove graffiti and abandoned vehicles from neighborhoods. In addition, the department strives to bring **fair housing awareness** to social service organizations and the community through enhanced fair housing education and outreach to organizations and families with individuals who have mental, intellectual and developmental disabilities.

### **Community Engagement**

Community Engagement serves to strengthen involvement in Durham communities, creating a welcoming environment for public civic participation, reinvigorating the partnership between the community and government. Working with the community, staff informs and encourages residents to participate in City Council Meetings, Coffee with Council, City/County Boards and Commissions, and community meetings and events. All Durham residents, regardless of their backgrounds, have the opportunity to be actively engaged in civic affairs and the inclusion of more voices in civic dialogue, affairs and decision making result in a healthier and more vibrant City of Durham.

### **Targeting Distressed Neighborhoods**

Staff continues to take a holistic approach to improve Durham's most distressed neighborhoods. Part of this effort includes providing support to the **Mayor's Transformation in Ten Initiative (T<sup>2</sup>)** which is a data driven, community-led, collaborative effort to reduce poverty in Durham communities. T<sup>2</sup> is currently focused on Census Tract 10.01, Block Groups 2 and 3. Six taskforces were formed to develop an agenda and priority to address the issues of poverty, unemployment, and per capita income in this area.

### **Transit Services and GoDurham**

The budget includes **3.56 cents per \$100 of the property tax rate** to provide continued funding of core transit services.

### **Arts and Culture**

Durham's arts and culture is enriched by its history, heritage, and diversity. Thoughtful investment in arts and culture initiatives also generate significant economic benefits for cities.

Funding in the amount of **\$45,400** has been allocated again for the **Annual Durham Holiday Parade**. The hugely successful Holiday Parade returned last year for the first time since 2009. It is expected that this long-standing tradition **will again be a positive, safe, family-friendly, and entertaining event to promote pride in our community.**

The City will continue its management agreements with the **Carolina Theatre**, the **Durham Arts Council** and **St. Joseph's Historic Foundation** for \$654,050, \$685,715 and \$292,000 respectively.

An increase in the annual appropriation to the Capital Improvement Plan (CIP) **Public Art Fund** from \$20,000 to \$75,000 is also included in the budget.

## **A STRONG AND DIVERSE ECONOMY**

Maintain and grow a strong and diverse economy through a variety of business, industrial and employment opportunities to benefit the entire Durham community.

### **Economic Development and Revitalization**

Together the departments of **Economic & Workforce Development, Planning** and **Inspections** work collaboratively to encourage new and existing development. A business friendly environment is achieved by providing outstanding customer service through **small business development assistance, timely plan reviews, and field inspection services.** The **"One-Stop-Shop"** Development Services Center (DSC) opened in April, 2017 providing a user friendly environment guiding residents and developers through the review process efficiently and effectively.

### **Workforce Development Strategies**

The Workforce Development Board strives to serve job seeking adults and laid-off workers, youth, and residents returning from incarceration with job preparedness skills and work experience programs funded with City and Federal dollars. In addition, this team works with local area businesses to identify skill sets needed to prepare job seekers for available positions.

## **STEWARDSHIP OF CITY'S PHYSICAL AND ENVIRONMENTAL ASSETS**

Thoughtful planning and operations that ensure the long-term viability of the City's infrastructure, facilities, and environment.

### **Facility and Asset Maintenance**

To continue to address maintenance needs outside of the CIP, all deferred maintenance requests have been prioritized and funding is applied to projects in priority order. This year an **additional \$900,000** has been allocated in one-time funding for deferred maintenance, giving the department \$1.7 million for FY18 (\$800,000 had already been allocated in recurring dollars). This additional funding is to (1) cover identified immediate maintenance priorities for FY18 and (2) respond to the Resident Satisfaction Survey results regarding maintenance needs for City facilities.

### **Facility Security**

This budget includes a resource to coordinate, manage, and oversee security infrastructure, security initiatives, coordination among end user departments and City administration support departments, such as Technology Solutions and Risk Management. The **Security Program Coordinator** will serve as the business leader responsible for the development, implementation, and management of the organizations' security vision, strategy, and programs.

### **Protecting the Environment**

The City will transform the way it measures and analyzes energy and water use in its buildings to improve efficiency and save tax payer dollars.

Solid Waste Management is **replacing downtown dumpsters with compactors** in an effort to enhance efficiency and aesthetics. Two will be installed by the end of FY16-17 using \$75,130 from the BID Fund and three will be installed in FY17-18 using \$112,695 from the BID Fund.

Solid Waste Management will also be insourcing **Cart Maintenance Services** in FY18. This will result in anticipated annual net savings to the Solid Waste Fund of roughly \$40K.

The **Waste Characterization Study** was completed in FY15-16 and is still being evaluated by Solid Waste Management staff. The department is in the process of implementing several key recommendations, including:

- (1) An increased marketing/education effort (e.g. Time Warner Cable commercials, the "Put your Trash on a Diet Campaign," an ad with other municipalities in the INDY, and additional promotional materials at events).
- (2) An **Organics Composting Pilot** approved as a New Initiative for FY17-18 that will initially incorporate yard and food waste. In later years, it will involve a partnership with the Department of Water Management to compost bio-solids. This pilot is not anticipated to require any new resources, and a full-scale program developed later will likely lead to cost savings for the City.
- (3) A behavioral economics project through the Duke Center for Advanced Hindsight. This project utilizes stickers on trash carts (along with a one page flyer left on doors) to connect average waste disposal levels (70%) to potential cost savings by reducing the cost of trash disposal and diverting to recycling.

## CAPITAL IMPROVEMENT PROGRAM (CIP) AND DEBT

The FY 2018-2023 Capital Improvement Program (CIP) is presented to the City Council in a companion document to the FY 2017-18 annual budget. **The capital improvement budget includes \$136.9 million for new projects and to complete existing projects.** Funding is provided through Water and Sewer revenues and revenue bonds, General Fund financings, pay-as-go funding, Parking and Stormwater fees.

Funding is proposed for \$11.5 million in General Fund capital projects for projects that were deemed a priority and essential to the City's capital infrastructure needs. The remaining \$124.7 million of CIP funding was dedicated to Water and Sewer and Stormwater, and other enterprise projects. The City is committed to providing complete and ongoing communications to residents and the City Council about the progress of all projects. To monitor the status of any capital project, citizens can visit our website at <http://www.durhamnc.gov/cip>.

The FY2017-18 budget includes **13.02 cents per \$100 tax** for debt and capital projects, to continue to fund capital and infrastructure needs.

### General Capital Projects FY 2017-18:

- \$0.31 million for Citywide Security Upgrades, Ph. II (address security issues at Fleet, Solid Waste, GS, DPR and PWOC)
- \$0.85 million for Future Trails (address design of priority greenway projects)
- \$0.5 million for Failed & Struggling Developments (address infrastructure)
- \$0.35 million for Energy Management Project (address City Hall HVAC controls/Lighting)
- \$0.25 million for Campus Hills Recreation Center (address baseball field lighting replacement)
- \$0.135 million for Lyon Park Restroom Project (address renovation of restroom facility)
- \$2.0 million for Public Safety Radio Replacements
- \$0.075 million for Public Art
- \$4.5 million for Federal State Matching Projects
- \$1.5 million for sidewalk repair (citywide sidewalks and curb/gutter repairs)
- \$0.10 million for Bicycle Facilities projects
- \$0.51 million for Miscellaneous Thoroughfares (installation of pedestrian signals at various intersections)

### Impact Fee Project:

- \$0.25 million for Rock Quarry Park Renovation (addresses the improvements needed to hold event programs at the facility)

### Parking Fund Projects:

- \$20.5 million for new Downtown Parking Garage (construction)

### Solid Waste Fund Projects:

- \$0.15 million for Customer Convenience Center Improvements
- \$2.25 million for the Annex and Truck Wash Project

### Stormwater Projects:

- \$3.19 million to address flood plain management, drainage repairs, retrofits and major stormwater infrastructure

### Water and Sewer Projects:

- \$121.5 million for water and sewer improvements including water and sewer rehabilitation, distribution, water residuals, and construction

**Fleet:**

- \$9.31 million for General Fund, Inspections Fund, Solid Waste, Stormwater, Transit, and Water Management fleet vehicles.

**Street Maintenance:**

- \$6.6 million to address annual ongoing maintenance of streets and sidewalks. The allocation was increased by \$3,600,000 from the previous fiscal year.

## CONCLUSION

We are at a time of transition for Durham. Our City has come a long way, thanks to the leadership of Mayor Bell and other members of the City Council, but Durham still faces challenges. The growth that occurred in our community has left some residents behind, unable to afford the only home they have known. Needed investments in infrastructure, like sidewalks and roads will be expensive and will take time. Many of our neighbors live in poverty and others face challenges from our criminal justice system. As always, the City needs to maintain the fiscal discipline necessary to balance all of our community's complex needs. This budget makes investments to address those challenges yet remain fiscally disciplined.

Great things will continue to happen in Durham. Any resident of Durham should be able to find something in this budget to be excited about—from continuing to invest in affordable housing to ensuring our parks and programs are available to all residents of Durham. The new iTeam that is being created (with a grant from Bloomberg Philanthropies) will help us to work with the community to address the structural challenges residents face in our criminal justice system. The new Durham Bike and Pedestrian plan will help us achieve a vision of our City accessible to all, and that our roadways are shared with everyone. I believe this budget shows we are being strategic toward building an inclusive community that has an eye toward a better future for all residents.

The uncertainty and challenges facing our nation will no doubt impact Durham over the coming years, but it is our job to continue to ensure that Durham remains rich in opportunities and community resources. It is important that we work to solve the complex issues that we face with forward-thinking solutions. I believe the many programs and services that the City provides create a community that has a strong and diverse economy, is safe and secure, and has thriving and livable neighborhoods. Our organization will remain innovative and high-performing while we continue to be responsible stewards of the resources our residents have entrusted to us.

I want to extend my appreciation and thanks to the management team for their creativity and prudent administration, to all City employees who have continued to provide excellent service and to all departments for their great work in developing this budget. In closing, special recognition and thanks to Budget and Management Services Director, Bertha Johnson, and the entire Budget and Management Services staff for their leadership in the development of the budget and continued execution of our Strategic Plan.

**As we bid farewell to Mayor Bell, we should all strive to continue his legacy of hope, perseverance, and a vision for what our community can become. By continuing his legacy, great things will happen in Durham.**

Respectfully Submitted,



Thomas J. Bonfield  
City Manager



# **CITY OF DURHAM GOALS & STRATEGIC PLAN FY 2016-2018**

City of Durham employees work hard every day to provide the quality services that make Durham a great place to live, work, and play. The City of Durham has a strategic plan that serves as a road map pointing the organization from its firm foundation to become, the leading city in providing an excellent and sustainable quality of life.

At the June 15<sup>th</sup>, 2015 Council Meeting the Durham City Council adopted the FY 2016-2018 Strategic Plan for the City and five over-arching goals:

1. Strong and Diverse Economy
2. Safe and Secure Community
3. Thriving Livable Neighborhoods
4. Innovative and High Performing Organization
5. Stewardship of City's Physical and Environmental Assets

To achieve consistent and planned results, it is essential that all organizational efforts are pointed in the same direction. The strategic planning process involves City Council, the City Manager's Office, employees, residents and other stakeholders.

During the Strategic Plan update process in FY 2014-2015, goals, objectives, outcome measures, initiatives and the key priorities were all assessed with new measures and initiatives added along with some additional modifications. The Strategic Plan continues to serve as the framework for accomplishing these priorities. To ensure success, the organization has integrated the plan into annual budgets, daily operations, and organizational measurements in an effort to direct our financial resources and planning in almost every area of government.

To monitor the Strategic Plan, the performance dashboard allows residents to easily view progress made on specific citywide measures and initiatives, while also identifying potential trends. The performance dashboard is updated biannually with data displayed from the first six months of the fiscal year as well as year-end results.

In addition to citywide Strategic Plan monitoring, departments continue to create and implement department strategic plans. These plans align resources and provide ownership of citywide initiatives and long-term department goals. Of 23 departments, 21 currently have approved department strategic plans. It is anticipated that by the end of FY 2017-2018, all departments will have an approved plan.

The following strategic plan pages will provide a great starting place to explore and understand the City of Durham's vision. To learn more, visit [www.DurhamNC.gov/StrategicPlan](http://www.DurhamNC.gov/StrategicPlan) and dive into the performance dashboard to explore the organizations success factors.





**Strategic Plan Update: FY 2016 - 2018**

**[www.DurhamNC.gov/StrategicPlan](http://www.DurhamNC.gov/StrategicPlan)**



## City of Durham: Five Goals, One Vision

City of Durham employees work hard every day to provide the quality services that make Durham a great place to live, work, and play. The City of Durham has a strategic plan that serves as a road map pointing the organization from its firm foundation to become, the leading city in providing an excellent and sustainable quality of life.

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## Strong and Diverse Economy

**Maintain and grow a strong and diverse economy through a variety of businesses, industries, and employment opportunities to benefit all Durham residents and businesses.**



### What Does Success Look Like?

- Shared, public-private strategic focus improves coordination and prioritization to build on current successes and grow the economy
- City and County's aligned goals create a more transparent and efficient system for planning and implementation of economic development strategies to address challenges facing Durham

## GROWING ECONOMY TO BENEFIT ALL DURHAM RESIDENTS AND BUSINESSES

Durham recognizes that a shared, public-private strategic focus can improve coordination and prioritization to build on current successes and grow the economy to benefit all Durham residents and businesses. The City and County have worked together to align goals to create a more transparent and efficient system for the planning and implementation of economic development strategies.

Durham's economic transformation in the last 20 years has been tremendous and has been celebrated regionally, nationally and internationally. This ongoing revitalization — demonstrated in the reuse of old warehouses and factories into thriving spaces like American Tobacco and Golden Belt, the dynamic and wildly popular Durham Performing Arts Center, the rebirth of Main Street downtown, and corporate investment in Research Triangle Park, and much more — has been due to visionary leadership and thoughtful collaboration.

While this transformation has been astounding, areas of concern still exist. Unemployment, while below national and statewide averages, remains high among some populations, especially among youth and those with lower educational attainment. The City of Durham and Durham County are still struggling to replicate the transformation of the downtown district on a large scale in key neighborhood commercial corridors. Infrastructure in commercial corridors and residential neighborhoods needs to be improved to make it easier to do business and to create districts that will attract and retain talent and business. Leaders must ensure that existing businesses can benefit from Durham's growth, not simply out of fairness and equity, but also because the recirculation of local dollars stands to help all. However, we not only need to get the message out that Durham is the best place to do business and live, work, learn and play, but we also need to ensure that the products, services and overall climate behind that message lead to a high level of satisfaction within the business community.

## Business Retention and Recruitment

- Coordinate strategies and plans of capacity-building agencies and consider how resources could be leveraged to foster small business and entrepreneurial opportunities
- Installation/development of amenities; Support appearance-related initiatives
- Ensure continuity and consistency of development standards and policies across jurisdictions
- Design incentive programs, policies and procedures around recruitment and retention of high growth industry clusters
- Continue to reinforce policy elements that include infrastructure as an incentive tool

## Business-Friendly Environment

- Develop user friendly process maps to help guide residents and developers through their specific review process
- Study other development review models for best practices that further incorporate a more coordinated “one-stop-shop” approach
- Further explore and benchmark ombudsperson position in other jurisdictions to determine what efficiencies might be gained
- Determine feasibility of a joint City-County economic development organization



## Talent Development and Recruitment



- Improve coordination and role clarity between various workforce development organizations in Durham
- Improve selection process for composition and operating procedures for the Workforce Development Board
- Develop “Strike Team” to proactively meet with new and current employers/sectors to access labor needs
- Develop and implement a communications plan that incorporates job placement success stories across the community





## Safe and Secure Community

**Provide safe and secure neighborhoods which are fundamental to the quality of life and economic vitality by helping the community enjoy a strong sense of personal safety.**



### What Does Success Look Like?

- There is a strong sense of trust between community members and public safety officials
- Community members feel educated, empowered, and supported by public safety entities in their efforts to enhance personal safety
- Public safety programs are clearly committed to preventing emergencies which compromise personal safety
- When emergencies arise, public safety officials are professional, efficient, and effective in their work to resolve the situation

## A BOLD NEW DURHAM

Over the last decade, the landscape of Durham has changed dramatically. Our shops, businesses, and neighborhoods have grown-- as have our safety challenges. The city of Durham is fortunate enough to have crime rates in key areas below the targets set by the Durham Police Department. Additionally, crime clearance rates, a measure of how many crimes are solved, are quite high. The concept of personal safety has evolved with the population growth of our community. As a city, we are called to respond with a much more comprehensive plan to protect our neighbors from the consequences of crime, fire, and medical emergencies. Looking forward, our city also faces both financial and physical constraints that further inspire us to think in new ways about how to deliver exceptional public safety service.

## Reduce the Occurrence and Severity of Crime

- Develop an online crime reporting solution
- Create unified intra-agency protocols to manage response to large scale incidents
- Develop a 3-5 year staffing plan for Police and 911 focused on operations and deployment
- Improve lab analysis, crime scene response, and evidence processing



## Building Strong Community Trust and Awareness of Personal Safety

- Expand outreach to existing events to converse with residents about their safety needs
- Encourage two-way communication through semi-annual media forums
- Develop a customized approach to helping residents and neighborhoods improve personal safety efforts
- Increase awareness of public safety programs, resources, and methods
- Use video technology to record officer-resident interactions

## Ensure High Survivability from Incidents of Fire, Medical, or Other Hazardous Emergencies

- Create a program that recruits, develops, and retains a diverse and talented workforce
- Provide safety training initiatives that allow residents easy access to the knowledge needed to improve personal safety
- Develop a 3-5 year staffing plan for Fire focused on operations and deployment
- Conduct Fire code enforcement system process improvement





## Thriving, Livable Neighborhoods

**Strengthen the foundation, enhance the value, and improve the quality and sustainability of neighborhoods.**



### **What Does Success Look Like?**

- Expand engagement with neighborhoods to ensure citizens feel empowered to preserve or improve the quality of their neighborhoods building connections between people and programs
- Increase the variety of transportation choices available to Durham residents, in order to improve the access to and mobility of Durham neighborhoods
- Promote increased access to a diversity of housing options that are safe and affordable

## **DURHAM NEIGHBORHOODS IN TRANSITION**

Durham has nearly doubled in size since 1990 and this growth has dramatically changed its neighborhoods. Many Durham neighborhoods have seen tremendous growth, improvement and reinvestment, while others have seen significant increases in poverty and disinvestment.

Neighborhoods are the building blocks of any city and research shows that many people connect with and feel that they have the power to improve their neighborhoods more than their City, County, State or even their nation. As such, the City must continually strive to engage neighborhoods and understand the partnerships, policies and program that they believe will protect or improve their neighborhoods.

As with cities nationwide, Durham is struggling to accommodate all of its residents in decent and affordable housing and to provide high quality transportation alternatives. These two issues were identified as top community concerns during the 2014 Strategic Plan survey and will serve as focus areas across Durham's neighborhoods.



## Affordable and Safe Housing for All

- Complete an inventory of affordable housing opportunity sites
- Complete a strategy to ensure creation and/or preservation of affordable housing near planned light-rail stations
- Complete an action plan to respond to the 2015 Analysis of Impediments to Fair Housing Choice



## Engaged and Empowered Neighborhoods

- Create multi-departmental engagement team to collectively evaluate top areas of concern for Durham neighborhoods and develop coordinated action plans to meet identified needs
- Conduct energy education programs in neighborhoods
- Update 3 year Community Engagement Plan
- Map Durham's open space and inform Durham neighborhoods of nearby open space and recreation facilities and programs

## Strong Transportation Networks and Transportation Alternatives



- Implement the Mayor's Challenge to improve access to transportation networks and improve the safety of those networks
- Develop a model to implement complete streets in Design Districts, such as Downtown and Ninth Street
- Complete the Duke Beltline Master Plan



## Innovative & High Performing Organization

**Provide professional management that encourages a culture of innovation, collaboration, and transparency to deliver quality services through an exceptional workforce.**

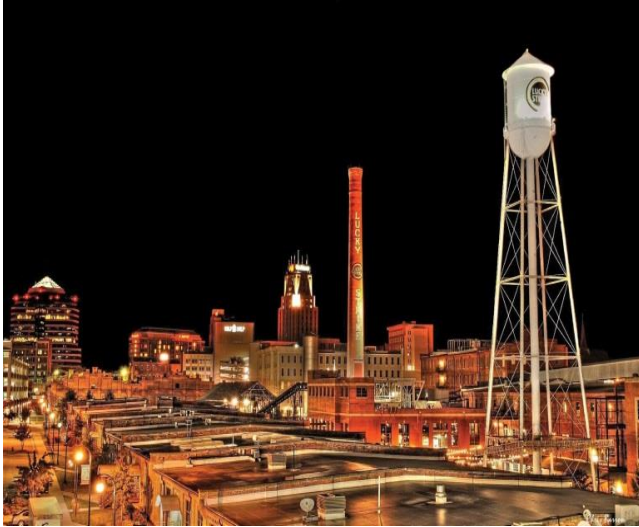


Photo by Chris Barron

### What Does Success Look Like?

- Ensure Strong Financial Management
- Establish an exceptional, diverse, engaged, and healthy workforce
- Provide quality customer service
- Align resources with city priorities
- Use effective communication and transparency to engage the community
- Employ well-trained and accountable employees
- Create a culture where innovative and creative solutions are embraced

## THE SPIRIT OF COLLABORATION AND INNOVATION

In an economic downturn that has left municipal budgets tight and the need for government services great, the interest in creative thinking about local problems is understandably intense. According to Government magazine, in just the past two years, the number of Google hits on the words "government innovation" has increased from 38 million to 1.4 billion as leaders and line staff at every level of government look for ways to do more with less. Urban centers, such as Durham, present a tremendous opportunity for innovations that improve quality of life for their residents. Forward-thinking public administrators should be leading the way, with innovative programs to address acute and chronic budget shortfalls while sustaining vital functions such as transportation, public safety and maintaining essential infrastructure. Resident demand for streamlined, efficient government continues to drive Durham leaders to seek out opportunities to deliver traditional services in non-traditional ways.

### Promote Collaboration between Departments to Deliver Outstanding Service

- Promote increased use of Durham One call through education, promotions, etc. to streamline and enhance residents' experiences with the City departments
- Complete Customer Service Assessment and develop an implementation plan of approved recommendations
- Develop training to support internal collaboration
- Explore opportunities for partnerships to deliver programs and services

## Foster a Culture of Innovation to Promote Operational Efficiencies



photo by Justin Cook

- Establish multidisciplinary City/County Innovation Lab to support the formation of transformational ideas into solutions
- Identify and Implement technology that supports the Performance Management System Citywide
- Identify best practices and opportunities for process improvement and automation across City departments in order to provide effective and efficient delivery of City services
- Develop internal innovation team to help drive innovation at all levels of the organization

## Establish an Exceptional, Diverse, Engaged and Healthy Workforce

- Develop and deliver targeted wellness programs to improve employee health outcomes
- Develop and implement an executive leadership academy
- Develop a strategic workforce, training, and succession plan
- Develop an internal Employee Communication Strategy
- Develop a diversity recruitment plan



## Promote Long-Term Financial Sustainability

- Develop a long term financial plan for infrastructure improvements and deferred maintenance
- Develop budget and reserve policies for all funds to improve the overall fiscal health of the City
- Implement Priority Based Budgeting to facilitate better alignment between services and resources

## Empower the Community by Providing Accessible and Usable Data

- Implement City's new web page platform (Web 2.0)
- Launch joint City/County Open Data
- Use initial survey data to recommend future data sets
- Evaluate Communications Assessment and develop an implementation plan of approved recommendations
- Explore new ways to graphically represent data to better communicate to the community





## Stewardship of City's Physical and Environmental Assets

Thoughtful planning and operations that ensure the long-term viability of the City's infrastructure, facilities and environment.



### What Does Success Look Like?

- With business and residential development ongoing, there is clear direction for what new assets will be developed and how current assets are properly maintained to meet expected service level demands
- Limiting our environmental impact conserves and protects natural resources
- Stewardship of City's assets help foster a great place to live, work, and play through:
  - Clean water and environment
  - Sufficient roadway and parking network
  - Well-maintained buildings, parks, and open spaces

## MEETING THE PHYSICAL NEEDS OF A GROWING CITY

From taking care of what we own, to planning for the future and everything in between, managing the physical needs of the City takes a lot of resources. It doesn't make sense to invest millions of taxpayer dollars to build new things if you don't have a way to take care of them well into the future. Whether its new roads, sidewalks, athletic fields, trails, or water/sewer lines, staff across all City departments are working on the development and implementation of asset management plans. These comprehensive asset management plans will direct day to day maintenance activities, provide predictability in planning, and serve as the foundation for budgeting for the ongoing capital needs of the City.

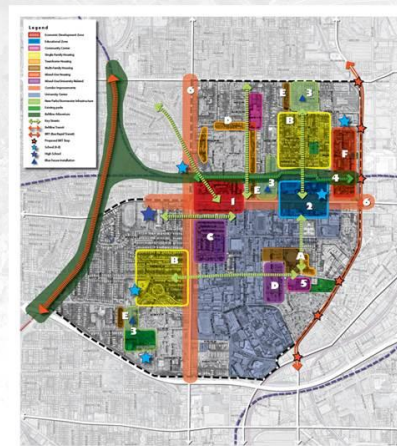
## State of the Art Asset Management

- Develop Asset Management Plans
- Develop/Implement Asset Management Systems
- Identify Critical Infrastructure
- Develop Asset Maintenance Plans

## Planning for Future Needs

- Update DurhamWalks and Bicycle Plan to identify highest priorities
- Complete Phase I of the Station Area Strategic Infrastructure project, developing prioritized infrastructure recommendations for the nine urban light rail station areas from Alston Avenue to Erwin Road.
- Review all existing policies in City's Comprehensive Land Use Plan

### Planning Goals - Develop a **TRANSFORMATION PLAN** for...



#### **HOUSING**

Energy efficient, mixed-income, one-for-one replacement

#### **NEIGHBORHOOD**

Well-functioning, economically viable, mixed-income neighborhoods

#### **PEOPLE**

Improved health, safety, employment, mobility, and education

Southeast Central Durham Community • Durham, NC  
CHOICE NEIGHBORHOODS INITIATIVE PLANNING

## Stewardship of Environmental Assets



- Conduct waste stream characterization study
- Develop a reclaimed water master plan
- Institute a green workplace certification program for city departments
- Create and market a Green Business Challenge to help businesses assess their current level of environmental stewardship
- Develop an implementation plan for city-wide inventory and risk analysis of trees located on public property

## **BUDGET AND FINANCIAL POLICIES**

The City of Durham's budget and financial policies serve as the basis for developing the annual operating budget and the six-year Capital Improvement Program. The policies also serve as the basis for the City's overall financial management.

The Local Government Budget and Fiscal Control Act governs much of the activities that occur in budget preparation and execution. The City has instituted other policies voluntarily in order to address issues that are specific to Durham. Both types of policies are noted below.

### **Operating Budget Policies**

#### **State Statutes:**

- The City of Durham will operate under an annual balanced budget ordinance in which the sum of estimated net revenues and appropriated fund balance is equal to appropriations.
- By State Statute, the annual budget for all City funds, including enterprise funds, is prepared using the modified accrual basis of accounting. This basis of accounting recognizes revenues either when they are received in cash (such as licenses or fines) or when the collection of the amount can be reasonably estimated to be received in the near future (such as property taxes). Expenditures in a modified accrual system are generally recognized in the period in which goods or services are received or when a liability is incurred. Beginning with the FY 2001-02 Comprehensive Annual Financial Report, the City is accounting for its funds on both a full accrual and a modified accrual basis, in compliance with GASB 34.
- The General Fund has an officially adopted annual budget. The appropriations in the budget ordinance within the General Fund are shown at the fund level. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for the remaining funds, all governmental and enterprise funds have legally adopted balanced budgets.
- The City may establish and operate one or more internal service funds. At the same time that it adopts the budget ordinance, the City Council must approve a balanced financial plan for each internal service fund. A financial plan is balanced when estimated expenditures do not exceed estimated revenue.
- All grants received from the federal or state governments for operating or capital purposes will be recognized in separate grant project ordinances. A balanced grant project ordinance must be adopted prior to beginning the project. A grant project ordinance is balanced when estimated expenditures do not exceed estimated revenue. Information on each grant project ordinance is included in the Annual Budget.
- The City's budget ordinance will cover a fiscal year beginning July 1 and ending June 30. In order to have the budget ordinance approved by July 1, the Preliminary Budget, together with a budget message, will be submitted to the City Council no later than June 1.
- A public hearing will be held on the Preliminary Budget prior to adoption of the budget ordinance. Notice of this public hearing will be published in the Herald-Sun. This notice will

also state that the Preliminary Budget has been submitted to the City Council and that a copy of the budget is available for review in the City Clerk's office.

#### City Policies:

- The City's budget will be presented in a program budget format that includes program summaries, current year accomplishments, proposed year budgetary changes, proposed strategies to be employed, and performance measures for each major program or service.
- The City's budget will include five-year revenue and appropriation projections for the General Fund and major enterprise funds. These projections integrate the current financial picture with the outlook over the next five years.
- The City Manager has the authority to transfer funds within a departmental budget or within a fund as set in the budget ordinance. The Budget and Management Services Department staff reviews all budget transfer requests and authorizes all transfers. All administrative budget transfers are documented by the Budget and Management Services Department and tracked in the City's general ledger.
- A budget ordinance amendment is necessary whenever a change is required in the original Budget Ordinance. Those changes primarily involve changes to a fund total. Any amendment must ensure that revenues and appropriations remain balanced. Budget ordinance amendments must be approved by the City Council. All budget ordinance amendments are documented by the City Clerk and the Budget and Management Services Department and tracked in the City's general ledger.

### **Fund Balance Levels**

#### General Fund

- Fund balance and reserve maintenance are important because they provide financial safety nets in the event of emergencies, economic downturns, or other unforeseen circumstances. Fund balance and reserve maintenance are also major factors considered by bond rating agencies when evaluating the City's credit worthiness.
- To maintain Unassigned Fund Balance ("UFB") in an amount no less than the greater of 12% of the current year's originally adopted Adjusted Budgeted Expenditures, or the amount required by the Local Government Commission (LGC).
- UFB could fall to a level below 12% only at the direction of Council and if it is determined that it is prudent to do so to mitigate current or future risks (e.g., significant revenue shortfalls or unanticipated expenditures), to address unforeseen opportunities or for other emergency purposes.
- If Council directs actions which result in a UFB of less than 12%, then the next year's budget must include a plan to restore the UFB to the minimum level within a reasonable amount of time.
- Any portion of the UFB in excess of 12% of Adjusted Budgeted Expenditures may be considered only for one-time (i.e., non-recurring) expenditures.



## **Capital Improvement Program**

### **State Statutes**

- The City will appropriate all funds for capital projects with a capital project ordinance in accordance with State Statutes.

### **City Policies**

- The Capital Improvement Program (CIP) is a statement of the City of Durham's policy regarding long-range physical development. This plan is developed for a six-year period and is updated and revised annually. To be included in the CIP, each project must require a total expenditure of \$100,000.
- In all likelihood, the completion of capital projects will impact the departments' operating budgets as projects are completed and require maintenance and upkeep. Consequently, the impacts of capital projects on the annual operating budget are estimated and noted in the CIP.
- It is essential that CIP project proposals support, rather than contradict, plans and policies previously adopted by the City Council in order to coordinate and direct the physical development of the City. In evaluating each CIP proposal, particular attention is given to conformity of proposals with the Comprehensive Plan, the City's broadest overall policy and planning tool for managing growth.
- The CIP assumes the use of installment sales financing exclusively for either facilities that house City functions or facilities that are joint private-public ventures. This assumption is consistent with the stated goals of maintaining the existing infrastructure and providing City services in an effective and efficient manner.
- The CIP assumes the dedication of investment income toward general capital projects. By City Council resolution, all investment income derived by the General and Capital Projects Funds is dedicated to the Capital Projects Fund. This allows the City flexibility to accelerate or decelerate the spending schedules for capital projects funded on a pay-as-you-go basis, depending on the rate of return received for the City's pooled cash.
- The City will plan the use of Water and Sewer Operating Fund appropriations to capital projects on a multi-year basis to ensure that any future rate increases will be as level as possible throughout the planning period.

# **City of Durham, NC**

## **Investment Policy**

### **I. Purpose**

To provide guidance for the investment of all City funds in conformance with federal, state, and other legal requirements, including *North Carolina General Statute ("NCGS") 159-30*.

This policy applies to the investment of all funds in the City's Consolidated Investment Portfolio, excluding the investment of employees' retirement funds, separate foundation or endowment assets and funds managed by external investment advisors.

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances ("Consolidated Operating Portfolio") from all funds to optimize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles as required by N.C.G.S. 159-30(e).

### **II. Policy**

The investment program shall be operated in conformance with federal, state, and other legal requirements, including *North Carolina General Statute ("NCGS") 159-30*.

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

#### **1. Safety**

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and market risk.

##### **a. Credit Risk**

The City will minimize credit risk, which is the risk of loss due to the failure of the investment issuer or backer, by:

- Limiting investments to the types listed in Section VII of this Investment Policy.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section V.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of investment or from any one individual issuer will be minimized, where appropriate.

##### **b. Market Risk**

The City will minimize market risk, which is the risk that the liquidation value of certain investments in the portfolio will fall due to changes in interest rates, by:

- Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell or redeem investments prior to maturity.

- Investing operating funds primarily in shorter-term investments, money market mutual funds or similar local government investment pools, and limiting the average maturity of the portfolio in accordance with this Policy.

## *2. Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that investments mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should maintain minimum amounts in cash equivalent investment alternatives (e.g. demand accounts, money market accounts, money market mutual funds, and local government investment pools). The securities portion of the total portfolio should consist largely of securities with active secondary or resale markets.

## *3. Yield*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Investments shall generally be held until maturity with the following exceptions:

- An investment with declining credit quality may be sold or redeemed early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration in the portfolio.
- Liquidity needs of the portfolio require that the investment be sold or redeemed.

## *4. Local Considerations*

Where possible, funds may be invested for the betterment of the local economy or that of local entities within the State. The City may accept a proposal from an eligible institution which provides for a reduced rate of interest provided that such institution documents the use of deposited funds for community development projects.

# **III. Definitions**

# **IV. Procedures**

## **Standards of Care**

### *1. Prudence*

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate actions are taken in accordance with the terms of this Policy.

The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

## *2. Ethics and Conflicts of Interest*

The Investment Officers (defined as the Finance Officer, Treasury Manager and Senior Treasury Analyst/Treasury Analyst, hereafter) and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment Officers and employees involved in the investment process shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Investment Officers and employees involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

## *3. Delegation of Authority*

Authority to manage the investment program is granted to the Finance Officer and derived from N.C.G.S. 159-30. Under the direction of the Finance Officer, the Treasury Manager and Senior Treasury Analyst/Treasury Analyst have responsibility of the day to day management of City funds. The Investment Officers shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Investment Policy.

Procedures should include references to: safekeeping, delivery versus payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures approved by the Finance Officer. The Investment Officers shall be responsible for all transactions undertaken and shall regulate the activities of subordinate officials.

## **Investment Providers**

### *1. Broker/Dealers*

The City shall select broker/dealers by their ability to provide effective market access and may include "Primary Government Securities Dealers" or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). Broker/dealers selected must be members in good standing of the Financial Industry Regulatory Authority ("FINRA") and be licensed in the State. Each broker/dealer will be reviewed by the Investment Officers and a recommendation will be made for approval by the Finance Officer.

An "approved broker/dealer list" shall be maintained by the Investment Officers at all times and periodically approved by the Finance Officer. The City shall not enter into transactions with a broker/dealer until approved.

All broker/dealers who desire to become approved must supply the following:

- Proof of Financial Industry Regulatory Authority ("FINRA") registration
- Proof of state registration
- Completed broker/dealer questionnaire

Periodic review of the financial condition and registration of all selected broker/dealers will be conducted by the Investment Officer.

### *2. Financial Institutions*

The City shall select a primary depository bank in compliance with the City's banking services procurement process and State law, and which offers the most favorable terms and conditions for the handling of City funds.

The City may also establish agreements with other financial institutions under separate contract for additional services that are necessary in the administration, collection, investment, and transfer of City

funds. Such deposits will only be made after the financial institution has completed and returned the required written instruments and depository pledge agreements. No deposit shall be made except in a qualified public depository as established by State law.

### *3. Minority and Community Financial Institutions*

From time to time, the Investment Officer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to certain parts of the criteria under Section V.1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law.

## **Safekeeping and Custody**

### *1. Delivery versus Payment*

All trades of marketable securities will be executed by delivery versus payment (DVP) to ensure that securities are deposited in a City-approved safekeeping agent prior to the release of funds.

### *2. Safekeeping*

Securities will be held by an independent third-party safekeeping agent selected by the City and evidenced by safekeeping receipts in the City's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No. 70, or SAS 70).

### *3. Internal Controls*

The Treasury Manager shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Finance Officer and the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the City.

## **Suitable and Authorized Investments**

### *1. Investment Types*

Consistent with the NCGS 159-30, the following investments will be permitted:

- A. Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.
- B. Obligations of government-sponsored agencies and instrumentalities listed in NCGS 159-30 (c) (2).
- C. Obligations of State of North Carolina.
- D. Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the Secretary of the Local Government Commission may impose.
- E. Time deposits placed with any North Carolina financial institution, secured in accordance with NCGS 159-31(b).
- F. Prime quality commercial paper rated the highest by one of the rating agencies and meeting the standards of NCGS 159-30 (c) (6).
- G. Bankers Acceptance of a commercial bank. Either highest long term debt rating of at least one nationally recognized rating service, or the bank or its holding company is incorporated

in North Carolina. In either event the security shall meet the standards of NCGS 159-30 (c) (7).

- H. Mutual funds certified by the Local Government Commission (LGC) and meeting the standards of NCGS 159-30 (c) (8).
- I. A comingled investment pool established and administered by the State Treasurer pursuant to G.S. 147-69.3.
- J. A comingled investment pool established by Interlocal agreement that meets the standards of NCGS 159-30 (c) (10).
- K. Repurchase agreements meeting the standards of NCGS 159-30 (c) (12).
- L. Mortgage-backed obligations that:
  - i. Pass the Federal Financial Instrumentality Examination Council (“FFIEC”) High Risk Security Test.
  - ii. Is an obligation of a federal agency or instrumentality as listed in NCGS 159-30(c) (2).

## *2. Collateralization*

The City requires collateralization for financial institution deposits in which the depository does not participate in the “Pooled Method” collateralization program of the State Treasurer. If a depository will utilize the “Dedicated Method” collateralization approach, the market value of the required collateral level shall equal or exceed 105% of the principal and accrued interest of any non-federally insured deposit amount. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards deposits.

All financial institutions pledging securities as collateral shall be required to sign a security or collateralization agreement with the City. The agreement shall define the City’s rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the financial institution and the City contemporaneously with the deposit;
- The agreement must be approved by the Board of Directors or designated committee of the financial institution and a copy of the meeting minutes must be delivered to the City; and
- The agreement must be part of the financial institution’s “official record” continuously since its execution.

Collateral will be held by an independent third party with whom the City has an escrow agent or custodial agreement. Pledge receipts and monthly reports must be supplied directly to the City by the escrow agent or custodian.

The City shall use State law and the GFOA's Recommended Practices on the Collateralization of Public Deposits as a guide on making adjustments to this collateralization policy for all financial institution accounts, including transaction accounts and certificates of deposit.

### *3. Repurchase Agreements*

Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements. At the discretion of the Investment Officer, the minimum collateral level shall be 102%.

## **Investment Parameters**

### *1. Diversification*

The following diversification limitations shall be imposed on the portfolio:

Type of Investment	Maximum percentage
U.S. Obligations (1A)	90% of Portfolio
Federal Agencies and Instrumentalities (1B)	90% of Portfolio
North Carolina State and Local Bonds (1C and 1D)	75% of Portfolio
Time Deposits (1E)	90% of Portfolio
Commercial Paper (1F)	25% of Portfolio 5% per Issuer
Bankers Acceptances (1G)	25% of Portfolio 5% per Issuer
LGC certified money market mutual funds (1H)	100% of Portfolio
Comingled investment pool (1I and J)	100% of Portfolio
Repurchase Agreements (1K)	25% of Portfolio Exclusive of bond proceeds
Mortgage-backed Obligation (1L)	25% of Portfolio 10% per Security
Callable Securities	50% of Portfolio

Note: Parenthetical references to section VII of this policy.

### *2. Maximum Maturities*

To the extent possible, the City's Consolidated Operating Portfolio shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City's Consolidated Operating Portfolio should not directly invest in securities maturing more than five (5) years from the date of purchase. The intent to invest in longer-term maturities shall be disclosed in writing to the Finance Officer prior to transaction commitment. The maximum weighted average maturity for the City's Consolidated Operating Portfolio (including cash equivalent balances) shall be thirty months.

Reserve funds and other funds with longer-term investment horizons may be invested in maturities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in longer-term maturities shall be disclosed in writing to the Finance Officer prior to transaction commitment.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as financial institution transaction accounts, local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

### *3. Competitive Environment*



It is the policy of the City to provide a competitive environment for all individual security purchases and sales, financial institution deposits, and repurchase agreement, money market mutual fund and local government investment pool selections. The Investment Officer shall develop and maintain procedures for ensuring competition in the investment of the City's funds.

#### *4. Outside Discretionary Investment Managers*

With the approval of the City Manager, the City may contract with a discretionary investment manager(s) to invest a portion of the City's overall portfolio. The manager shall be selected based on the appropriateness of its management style and risk/return objectives, and must adhere to the investment objectives, parameters and restrictions as determined by the Finance Officer and detailed in the executed management agreement. The manager shall operate in conformance with federal, state, and other legal requirements, including *North Carolina General Statute ("NCGS") 159-30*, but will not be required to adhere to this Policy.

### **Reporting**

#### *1. Methods*

The Investment Officers shall submit to the Finance Director, not less than quarterly, an investment report that summarizes the investment strategies employed in the most recent period, and describe the portfolio in terms of investments, maturities, risk characteristics, and other features. The report shall explain the period's total investment income and compare the amount with budgetary expectations. The report shall include all transactions during the past quarter.

Within a timely manner of the end of the fiscal year, the Investment Officer shall present an annual report on the investment program and investment activity. The annual report shall suggest improvements that might be made in the investment program.

#### *2. Performance Standards*

The investment portfolio will be managed in accordance with the parameters specified within this Policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Weighted average yield to maturity shall be the portfolio performance standard for reporting purposes. For management purposes, a series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

#### *3. Market Valuation*

The market value of the portfolio shall be calculated at least quarterly and included in the concurrent report. In defining market value, considerations should be given to the GASB Statement 31 pronouncement.

### **Other Considerations**

#### *1. Exemption*

Any investment currently held that does not meet the guidelines of this Policy shall be exempted from the requirements of this Policy. At maturity or liquidation, such monies shall be reinvested only as provided by this Policy. The purchase of any investment that does not meet the guidelines of this Policy will require written approval of the Finance Director prior to transaction commitment.

#### *2. Review and Amendment*

The Investment Policy shall be reviewed periodically and any changes shall be approved through the City's policy approval framework.



## **Multi-Year Fund Projections**

The City includes fund projections in the annual budget. These projections incorporate the current year budget information with the budget outlook over the next five years. Projections include only the current levels of activity and do not include estimates of future service expansions.

Multi-year projections are prepared for the General Fund, the Debt Fund, and major Enterprise Funds.

# GENERAL FUND PROJECTION

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>						
General Property Taxes	\$ 92,124,096	\$ 93,965,677	\$ 95,844,630	\$ 97,761,726	\$ 99,717,749	\$ 101,713,503
Taxes: Prior Year Levy/Interest	1,060,000	1,144,527	1,160,850	1,177,438	1,194,294	1,887,816
Other Local Taxes	66,766,579	70,141,404	73,688,624	77,417,114	81,336,211	85,455,739
State-Shared Revenues	11,742,340	11,851,475	11,962,793	12,076,338	12,192,153	12,310,284
Licenses and Permits	506,000	513,160	515,159	517,199	519,279	521,401
Investment/Rental Income	114,677	114,677	114,677	114,677	114,677	114,677
Charges for Current Services	8,037,822	7,877,164	8,003,409	8,068,743	8,135,383	8,203,357
Intragovernmental Services	2,007,073	1,975,721	2,013,835	2,052,711	2,092,366	2,132,813
Other Revenues	953,100	958,100	958,100	958,100	958,100	958,100
Additional Revenues	6,100,917	3,688,586	2,470,220	2,000,000	2,470,220	2,000,000
<b>Total Revenues</b>	<b>\$ 189,412,604</b>	<b>\$ 192,230,491</b>	<b>\$ 196,732,297</b>	<b>\$ 202,144,046</b>	<b>\$ 208,730,432</b>	<b>\$ 215,297,690</b>
<b>Appropriations</b>						
Personal Services	\$ 147,410,931	\$ 155,317,256	\$ 163,755,798	\$ 172,841,038	\$ 181,861,197	\$ 191,255,656
Operating	31,695,919	34,335,797	36,337,067	36,979,931	38,624,399	38,436,961
Capital Outlay	923,336	659,612	685,996	713,436	741,973	771,652
Others	722,535	320,749	320,749	320,749	320,749	120,749
Transfers to Other Funds	8,659,883	7,733,434	7,124,256	6,897,421	6,924,671	6,953,279
<b>Total Appropriations</b>	<b>\$ 189,412,604</b>	<b>\$ 198,366,848</b>	<b>\$ 208,223,866</b>	<b>\$ 217,752,575</b>	<b>\$ 228,472,989</b>	<b>\$ 237,538,298</b>
Property Taxes Needed	\$ 92,124,096	\$ 100,102,034	\$ 107,336,199	\$ 113,370,255	\$ 119,460,306	\$ 123,954,110
Projected Levy	92,124,096	93,965,677	95,844,630	97,761,726	99,717,749	101,713,503
Surplus/(Shortfall)	\$ -	\$ (6,136,357)	\$ (11,491,569)	\$ (15,608,529)	\$ (19,742,557)	\$ (22,240,607)
One Cent on Tax Rate	\$ 2,792,485	\$ 2,848,308	\$ 2,905,263	\$ 2,963,375	3,022,666	3,083,162
Tax Rate (General Fund Only)	0.3299	0.3299	0.3299	0.3299	0.3299	0.3299
<b>Tax Rate Equivalent</b>	<b>0.0000</b>	<b>0.0215</b>	<b>0.0396</b>	<b>0.0527</b>	<b>0.0653</b>	<b>0.0721</b>
<b>Tax Rate (cents)</b>	<b>0.3299</b>	<b>0.3514</b>	<b>0.3695</b>	<b>0.3826</b>	<b>0.3952</b>	<b>0.4020</b>
12% Undesignated Fund Balance	\$ 21,690,327	\$ 22,876,010	\$ 24,131,953	\$ 25,302,618	\$ 26,585,798	\$ 27,670,202
Undesignated Fund Balance	\$ 49,900,000	\$ 43,799,083	\$ 40,110,497	\$ 37,640,277	\$ 35,640,277	\$ 33,170,057
Fund Balance %	27.61%	22.98%	19.95%	17.85%	16.09%	14.39%

## **GENERAL FUND PROJECTION**

### **Revenue Assumptions**

FY2019 – FY2023

- Property Tax Base is projected to grow at 2.00% annually overall.
- Other Local Taxes: Sales tax is projected at 5.00% growth annually. Hotel / Motel Occupancy Tax is projected at 7.00% growth annually.
- Intergovernmental projection: State Collected Revenues are assumed to have slow growth of 1.00%.
- Licenses & Permits are projected to have slow growth (between 1% and 2%).
- Rental Income is projected to have slow growth (between 1% and 2%).
- Charges for Current Services are projected to have slow growth (between 1% and 2%).

### **Appropriation Assumptions**

FY2019 – FY2023

- Personal Services (all salaries and benefits) appropriations are projected to grow at 4.5% - 5% per year over the next six years.
- Allowances are included for 30 additional fire fighters in FY2017-18 to staff the new fire station number 17 and 15 additional fire fighters in FY2020-21 to staff the new fire station number 18.
- Operating appropriations are generally projected to grow at 1%. Other periodic costs such as election year expenses, as well as gradual increases for deferred maintenance and street maintenance funding are also included in future years.
- Capital outlay is projected to stay flat.
- Transfers to Other Funds are generally projected to grow overall by 2%, but fund subsidies are also included with best estimates based upon multi-year projections for those funds.

## DEBT FUND PROJECTION

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>						
Property Taxes	\$ 36,358,161	\$ 35,032,828	\$ 35,936,047	\$ 36,713,919	\$ 37,448,495	\$ 38,228,498
Other Revenue	598,195	572,160	545,192	509,455	471,826	432,638
Intergovernmental	1,878,516	-	-	-	-	-
Appropriation from Fund Balance	-	4,607,301	3,829,906	6,410,114	4,659,872	3,129,349
<b>Total Revenues</b>	<b>\$ 38,834,872</b>	<b>\$ 40,212,289</b>	<b>\$ 40,311,145</b>	<b>\$ 43,633,488</b>	<b>\$ 42,580,193</b>	<b>\$ 41,790,485</b>
<b>Appropriations</b>						
Debt Service	\$ 28,530,704	\$ 36,234,388	\$ 36,521,592	\$ 39,972,625	\$ 38,935,153	\$ 37,519,770
Tax Collection Fee	422,660	406,586	414,873	422,875	431,447	439,942
Transfer to Capital	1,000,000	1,641,818	1,594,999	1,508,695	1,439,655	2,064,574
Transfer to Other Funds	2,020,382	1,929,497	1,779,681	1,729,293	1,773,938	1,766,199
Appropriation to Fund Balance	6,861,126	-	-	-	-	-
<b>Total Appropriations</b>	<b>\$ 38,834,872</b>	<b>\$ 40,212,289</b>	<b>\$ 40,311,145</b>	<b>\$ 43,633,488</b>	<b>\$ 42,580,193</b>	<b>\$ 41,790,485</b>

## DEBT PROJECTION

### Revenue Assumptions

- Property Taxes – Property Tax Base is projected to grow at 2.00% annually.
- Other Revenue – Subsidy payments from Build America Bonds (BABs).
- Intergovernmental – Transfers from Durham County to pay for a portion of a communications infrastructure project.
- Appropriation from Fund Balance – Any portion not covered by revenues must be covered by fund balance.

### Appropriation Assumptions

- Debt Service – Principal and interest payments on the City's debt service. Interest is projected at 4.5%.
- Tax Collection Fee - A portion of the tax collection interlocal contract with the County is allocated in this fund.
- Transfer to Capital / Other Funds – Transfers to funds that have debt obligations.
- Appropriation to Fund Balance – Any surplus in the fund is returned to fund balance.

## WATER AND SEWER FUND PROJECTION

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>						
Investment/Rental	\$ 592,500	\$ 604,350	\$ 616,437	\$ 628,766	\$ 641,341	\$ 654,168
Water & Sewer Sales	97,527,427	101,062,796	104,825,364	107,376,813	112,598,548	118,228,475
Other Operating Revenues	1,312,000	1,338,240	1,365,005	2,842,756	2,899,611	1,815,156
Licenses and Permits	145,000	147,900	150,858	153,875	156,953	160,092
Frontage Fees/Assessments	-	-	-	-	-	-
Other Revenues	10,000	10,200	10,404	10,612	10,824	11,040
Transfers From Other Funds	-	-	-	-	-	-
Appropriation from Fund Balance	\$ 609,543	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 100,196,470</b>	<b>\$ 103,163,486</b>	<b>\$ 106,968,068</b>	<b>\$ 111,012,822</b>	<b>\$ 116,307,277</b>	<b>\$ 120,868,932</b>
<b>Appropriations</b>						
Personal Services	\$ 27,992,356	\$ 29,112,050	\$ 30,276,532	\$ 31,487,593	\$ 32,747,097	\$ 34,056,981
Operating	28,153,439	29,138,809	30,158,667	31,214,220	32,306,718	33,598,987
Capital Outlay	-	-	-	-	-	-
Transfer to CIP	32,400,000	32,500,000	28,950,000	22,900,000	23,200,000	21,000,000
Transfer to Other Funds	-	-	-	-	-	-
Debt Service	10,412,619	12,411,889	17,582,821	25,410,158	28,052,671	32,210,538
Appropriation to Fund Balance	1,238,056	738	47	851	791	2,426
<b>Total Appropriations</b>	<b>\$ 100,196,470</b>	<b>\$ 103,163,486</b>	<b>\$ 106,968,067</b>	<b>\$ 111,012,822</b>	<b>\$ 116,307,277</b>	<b>\$ 120,868,932</b>

### Revenue Assumptions

- The projection reflects a reserve for debt coverage that is intended to ensure that the City meets or exceeds the revenue bond rate covenants contained in the water and sewer revenue bonds. Adverse conditions such as water restrictions due to drought, or unseasonably wet years, place the City in jeopardy of not recognizing sufficient revenues to meet these covenants. The coverage ratio that must be maintained for parity debt is 1.25 and for all debt 1.0. Generally, only operating revenues can be utilized for computation of the coverage ratio.
- A rate increase for water and sewer service charges is proposed for FY 2017-18. This rate increase equates to about a 2.6% increase for the average residential customer.
- The rate model utilized for the projection includes future rate increases based on growth in operating expenses. The rate model also assumes full funding of the proposed CIP by utilization of funds from capital facility fees, pay-as-you-go transfers from the operating fund, and revenue and/or General Obligation bond issues.
- Water and Sewer Sales include both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities.
- All non-rate revenue sources are projected to increase by 2% annually.

### Appropriation Assumptions

- All Operational and Maintenance costs including operating and capital increase by 3.5% each year to cover expected system expansions and increased regulatory requirements, and personnel increases by 4% each year.
- Transfer to CIP represents the amount of cash projected to be transferred from the Water and Sewer Fund to the Capital Projects fund for water and sewer construction projects.
- Transfers to Other Funds include a transfer capital funds to pay for fleet needs.

- Debt Service projections are provided by the City's Finance Department and includes all existing and estimated future debt service to be paid by the Utility System.
- Appropriation to Fund Balance builds the reserves in the Water and Sewer operating fund in order to be able to continue to meet debt covenants.

## SOLID WASTE FUND PROJECTION

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>						
General Property Taxes	\$ 17,564,734	\$ 17,915,857	\$ 18,274,105	\$ 18,639,626	\$ 19,012,569	\$ 19,392,820
Interest and Rental Income	30,000	30,000	30,000	30,000	30,000	30,000
Charges for Services	7,084,624	7,021,913	7,166,312	7,314,822	7,467,560	7,624,379
Intergovernmental Revenues	167,322	167,322	167,322	167,322	167,322	167,322
Landfill Gas	140,000	137,200	134,456	131,767	129,132	126,600
Other Financing Sources	140	-	-	-	-	-
Transfers From Other Funds	127,695	90,000	90,000	90,000	90,000	90,000
Appropriation From Fund Balance	-	-	-	178,169	307,602	21,567
<b>Total Revenues</b>	<b>\$ 25,114,515</b>	<b>\$ 25,362,292</b>	<b>\$ 25,862,195</b>	<b>\$ 26,551,705</b>	<b>\$ 27,204,185</b>	<b>\$ 27,452,688</b>
<b>Appropriations</b>						
Personal Services	\$ 7,325,105	\$ 7,940,988	\$ 8,321,080	\$ 8,732,888	\$ 9,167,328	\$ 9,625,695
Operating	12,928,921	13,477,363	13,862,357	14,263,682	14,682,113	15,107,894
Capital and Other	280,695	50,000	50,000	50,000	50,000	50,000
Debt Service	4,248,931	3,782,260	3,467,762	3,505,136	3,304,744	2,669,099
Transfers To Other Funds	157,818	3,818	-	-	-	-
Transfer to Fund Balance	173,045	107,863	160,996	-	-	-
<b>Total Appropriations</b>	<b>\$ 25,114,515</b>	<b>\$ 25,362,292</b>	<b>\$ 25,862,195</b>	<b>\$ 26,551,705</b>	<b>\$ 27,204,185</b>	<b>\$ 27,452,688</b>

### SOLID WASTE PROJECTION

#### Revenue Assumptions

- General Property Taxes represents the portion of the City's tax rate that is dedicated to the Solid Waste Fund. For FY18, this rate is proposed to be 6.29 cents per \$100 valuation. Future years project the same rate. Consistent with the City's General Fund Multi-Year projection, this revenue is expected to grow 2% per year.
- Interest and Rental Income is revenue earned through the commitment of City funds to investments.
- Charges for Services represents all revenues that are received as a direct result of the department's operations. These revenues include the per ton tipping fee, fees for yard waste collection, disposal bin purchases, brush pickup fees, and white good disposal revenue. These fees are projected to grow or decline at various rates depending upon the specific source.
- Intergovernmental Revenues includes the State Solid Waste Disposal Tax and is projected to be constant.
- Landfill Gas is methane produced by the landfill and sold to a vendor. It is a limited resource, and as production drops, revenue is projected to decrease by 2% annually.
- Other Financing Sources is generally for bond refunding transactions and collection related activities. The \$140 for FY18 is for facility fees paid for grease recycling services.
- Transfers from Other Funds has historically been a \$15K transfer from the BID Fund to partially cover the costs of providing extra services in the downtown area. For FY18, there is an additional \$112,695 for the purchase of the last three of five downtown compactors. This transfer will increase to \$90K from \$15K beginning in FY19 to more accurately capture the true costs of providing enhanced services downtown.
- Appropriation from Fund Balance is used when projected expenses exceed projected revenues for the Fund.

#### Appropriation Assumptions

- Personal Services projections are based upon assumptions in the City's General Fund Multi-Year projection and are projected to grow between 4.5% - 5% per year over the next six years.
- Operating costs are projected to grow due primarily to contractual and vehicle repair costs.



- Capital and Other captures the costs for the three new downtown compactors in FY18 as well as two new box trucks for the carts maintenance insourcing initiative, and equipment for maintenance at the closed landfill.
- Debt Service costs cover vehicle purchases and other capital needs that are financed.
- Transfers to Other Funds is a transfer for a Customer Convenience Center Improvements project in FY18 and a small transfer to cover the Solid Waste Fund's portion of a technology project for FY18 and FY19.
- Transfer to Fund Balance is used when projected revenues exceed projected expenses.

## STORMWATER MANAGEMENT FUND PROJECTION

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>						
Operating Revenues	\$ 15,221,598	\$ 15,678,246	\$ 16,148,593	\$ 16,633,051	\$ 17,132,043	\$ 17,646,004
Interest and Rental Income	34,000	34,340	34,683	35,030	35,381	35,734
Miscellaneous Revenue	264,750	272,693	280,873	289,299	297,978	306,918
Transfers from Other Funds	109,047	109,047	109,407	109,407	109,407	109,407
<b>Subtotal Revenues</b>	<b>\$ 15,629,395</b>	<b>\$ 16,094,325</b>	<b>\$ 16,573,557</b>	<b>\$ 17,066,788</b>	<b>\$ 17,574,809</b>	<b>\$ 18,098,063</b>
Appropriation from Fund Balance		2,328,278	393,951	389,421	839,648	3,169,972
<b>Total Revenues</b>	<b>\$ 15,629,395</b>	<b>\$ 18,422,604</b>	<b>\$ 16,967,508</b>	<b>\$ 17,456,208</b>	<b>\$ 18,414,457</b>	<b>\$ 21,268,035</b>
<b>Appropriations</b>						
Personal Services	\$ 8,013,605	\$ 8,334,149	\$ 8,667,515	\$ 9,014,216	\$ 9,374,784	\$ 9,749,776
Operating	3,282,168	3,413,455	3,549,993	3,691,993	3,839,672	3,993,259
Transfers to Other Funds	3,904,816	6,675,000	4,750,000	\$ 4,750,000	5,200,000	7,525,000
Transfers to Fund Balance	428,806	-	-	-	-	-
<b>Total Appropriations</b>	<b>\$ 15,629,395</b>	<b>\$ 18,422,604</b>	<b>\$ 16,967,508</b>	<b>\$ 17,456,208</b>	<b>\$ 18,414,457</b>	<b>\$ 21,268,035</b>

### STORMWATER MANAGEMENT PROJECTION

#### Revenue Assumptions

**Stormwater Charges** – Property owners are billed for Stormwater Charges based on the impervious area of their property (measured in Equivalent Residential Units (ERU), or 2,400 square feet). No rate increase is proposed for FY 2017-18. A rate increase may be needed for FY 2018-19, depending on the rate of capital spending.

The single-family residential Stormwater monthly fee structure reflects three tiers tied to square footage of impervious surface:

- \$3.26 for less than 2,000 square feet
- \$6.75 for more than 2,000 and less than 4,000 square feet
- \$13.52 for more than 4,000 square feet

The monthly charge for each commercial ERU is \$6.75. The Stormwater Fee ordinance exempts City streets, but not City buildings, from Stormwater Fees.

Miscellaneous revenues include permit fees for plan review and inspection of any required Stormwater management facilities (e.g., detention basin, sand filter) associated with development plans. Also included in this category are fees for the removal of dead animals from veterinary hospitals, a service provided by the Street Cleaning division. Increases are budgeted at approximately 3%.

Transfers from other funds includes transfers from the Transit Fund.

Appropriations from fund balance represents any costs not covered from revenue sources.

#### Appropriation Assumptions

- Personal Services costs are projected to grow at a rate of approximately 4.5% -5% annually over the next six years.
- Operating costs are projected to grow at approximately 2.5% annually. Beginning in FY 2018-19, additional funding beyond the 2.5% growth to 4% will be needed per year due to the consolidation of Stormwater maintenance for City-owned property within the fund.
- The Transfers to Other Funds includes the transfer from the Stormwater Fund to the CIP fund for private property projects and watershed planning and design and to the Fleet Fund for vehicle replacements.

- Transfer to fund balance is present in years in which revenue are anticipated to exceed expenditures.

## TRANSIT FUND PROJECTION

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>						
General Property Taxes	\$ 9,941,248	\$ 10,140,073	\$ 10,342,874	\$ 10,549,732	\$ 10,760,727	\$ 10,975,941
Licenses and Permits	2,700,000	2,754,000	2,809,080	2,865,262	2,922,567	2,981,018
Intergovernmental	5,754,818	5,390,757	5,522,569	5,670,980	5,775,058	5,860,633
Charges for Current Services	3,060,521	2,918,823	2,952,591	2,986,834	3,021,561	3,056,781
Other Revenue	207,727	89,354	91,076	80,897	118,822	84,859
Appropriation from Fund Balance	-	1,288,212	489,010	-	-	397,596
<b>Total Revenues</b>	<b>\$ 21,664,314</b>	<b>\$ 22,581,219</b>	<b>\$ 22,207,200</b>	<b>\$ 22,153,705</b>	<b>\$ 22,598,734</b>	<b>\$ 23,356,828</b>
<b>Appropriations</b>						
Operating	\$ 19,867,256	\$ 20,463,274	\$ 19,607,448	\$ 20,119,428	\$ 20,673,861	\$ 21,511,019
Capital	278,459	538,049	1,084,745	175,633	417,739	371,489
Debt Service	194,182	205,778	205,778	205,778	205,778	205,778
Transfers to Other Funds	1,324,417	1,374,118	1,309,228	1,268,542	1,163,478	1,268,542
Appropriation to Fund Balance	-	-	-	384,323	137,878	-
<b>Total Appropriations</b>	<b>\$ 21,664,314</b>	<b>\$ 22,581,219</b>	<b>\$ 22,207,200</b>	<b>\$ 22,153,705</b>	<b>\$ 22,598,734</b>	<b>\$ 23,356,828</b>

## TRANSIT PROJECTION

### Revenue Assumptions

- This fund does not capture the full revenues or costs associated with Transit operations. Several grants are accounted for in grant funds. Changes in future grant allocations affect overall Transit operations.
- The Transit Fund is proposed to receive 3.56 cents of the tax rate for FY 2017-18. Growth in the tax base is projected at 2.00% annually.
- Licenses and Permits are projected to grow by 2% annually.
- Intergovernmental (State grant) revenue base is projected flat overall, but increases are tied to growth in the transit system as new service is added, based on the funding formula. This line also includes transfers from Triangle Transit for new services and approved transfers for existing service from the half cent sales tax and increased motor vehicle fee approved as part of the Bus and Rail Investment Plan.
- Charges for Services are projected to grow at 1% for Transit Fixed Route services and to grow at 3% for Paratransit services after FY 2017-18.
- Other Revenue is variable based upon expected activities in each fiscal year.
- Appropriation from Fund Balance is present in years where expenses are projected to exceed revenues.

### Appropriation Assumptions

- As noted in Revenue Assumptions, some Transit operating costs are captured in grant funds and not shown here. Changes in those grant allocations will also affect Transit operations funding.
- This projection does not include capital costs for significant expansion of the fleet. Those costs are captured in grant and capital projects.
- Transit service operating costs are projected to rise at an annual rate of 3.05% on average without any increase in service levels. The other increases in FY 2018-19 through FY 2022-23 also reflect costs associated with projected new services as part of the Bus and Rail Investment Plan.
- Transfers to Other Funds show grant matches required to leverage grant funding for Transit operations.
- Appropriation to Fund Balance is present in years when revenues are projected to exceed expenses.

## PARKING FACILITIES FUND PROJECTION

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>						
Interest and Rental Income	\$ 12,000	\$ 12,240	\$ 12,485	\$ 12,735	\$ 12,990	\$ 13,250
Charges for Current Services	5,082,231	6,689,595	7,115,428	7,504,261	7,570,389	8,548,055
Appropriation from Fund Balance	-	1,392,328	1,283,909	1,105,798	1,195,606	274,490
Transfers from Other Funds	882,707	918,176	903,571	878,050	852,070	825,593
<b>Total Revenues</b>	<b>\$ 5,976,938</b>	<b>\$ 9,012,339</b>	<b>\$ 9,315,393</b>	<b>\$ 9,500,844</b>	<b>\$ 9,631,055</b>	<b>\$ 9,661,388</b>
<b>Appropriations</b>						
Personal Services	\$ 255,009	\$ 266,484	\$ 278,476	\$ 291,008	\$ 304,103	\$ 317,788
Operating	3,689,675	5,232,740	5,538,407	5,736,847	6,015,255	6,276,353
Capital	-	-	-	-	-	-
Debt Service	1,359,597	3,513,115	3,498,510	3,472,989	3,311,697	3,067,247
Transfer to Fund Balance	672,657	-	-	-	-	-
<b>Total Appropriations</b>	<b>\$ 5,976,938</b>	<b>\$ 9,012,339</b>	<b>\$ 9,315,393</b>	<b>\$ 9,500,844</b>	<b>\$ 9,631,055</b>	<b>\$ 9,661,388</b>

## PARKING FACILITIES PROJECTION

### Revenue Assumptions

- Since FY 2002-2003 a private vendor is contracted to operate the City garages and parking lots.
- The Parking Fund has a multi-year financial plan. Some of the significant assumptions include:
  - Purchase of New parking equipment for on-street parking enforcement (meters) – beginning in FY 2016-17.
  - Construction of New Parking Deck with the first debt payment in FY 2018-19, and full operating impacts beginning in FY 2018-19.
  - This assumes a monthly parking rate increase of 22% in FY2017-18, with a bi-annual increase of 10% in subsequent years; and a general parking rate increase of 20% in FY 2022-2023.
- Transfers from Other Funds are a subsidy from the Debt Service Fund, covering existing debt service. Any new debt the fund incurs is expected to be covered by the Parking Fund.

### Appropriation Assumptions

- Personal Services are projected to grow by 4.5%-5% per year over the next six years.
- Operating costs are projected based on the timing of the assumptions listed above.

# BALLPARK FUND PROJECTION

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Revenues</b>						
Interest Income	\$ 6,000	\$ 4,781	\$ 5,245	\$ (3,568)	\$ (5,138)	\$ (5,105)
Charges for Service	258,071	268,258	278,804	289,721	301,022	312,719
Transfers from Other Funds	1,187,675	1,072,529	1,049,516	1,029,030	1,005,995	982,407
Transfer from Reserve	56,610	270,893	-	1,771,478	315,463	-
<b>Total Revenues</b>	<b>\$ 1,508,356</b>	<b>\$ 1,616,461</b>	<b>\$ 1,333,565</b>	<b>\$ 3,086,662</b>	<b>\$ 1,617,342</b>	<b>\$ 1,290,021</b>
<b>Appropriations</b>						
Debt Service	1,258,576	1,240,787	1,228,320	1,218,752	1,207,017	1,195,126
Capital Repair/Replacement	112,610	375,675	12,095	1,867,910	410,325	88,295
Transfer to Fund Balance	-	-	93,150	-	-	6,600
Transfers to Other Funds	137,170	-	-	-	-	-
<b>Total Appropriations</b>	<b>\$ 1,508,356</b>	<b>\$ 1,616,461</b>	<b>\$ 1,333,565</b>	<b>\$ 3,086,662</b>	<b>\$ 1,617,342</b>	<b>\$ 1,290,021</b>

## BALLPARK PROJECTION

### Revenue Assumptions

- Interest Income is revenue earned through the commitment of City funds to investments.
- Charges for Services includes base rental and revenue sharing. Per the lease agreement approved by City Council on June 03, 2013, the City will receive an annual base rent with a projected 2% escalation, based on CPI. Additionally, the City will receive 3% of any gross revenues in excess of \$11,030,904 as well as 1.25% of revenues collected from Third Party and Special Events.
- The Transfers from Other Funds represents a subsidy from the General Fund and Debt Service Fund. The General Fund is providing \$50K in FY18 and then \$100K annually in FY19-FY23. The Debt Service Fund will subsidize the Ballpark Fund approximately \$1.1 million in FY18, after which the subsidy will decrease to less than \$1 million annually through FY23.

### Appropriation Assumptions

- Debt Service costs account for the issuance of \$12 million in taxable limited obligation bonds per the development agreement approved by City Council on May 22, 2013. These bonds were used to provide \$6 million in Deferred Maintenance repairs and \$6 million in renovations to the Ballpark, completed in April 2014. Debt Service estimates are supplied by the Finance Department.
- Capital Repair/Replacement captures the anticipated replacement costs of maintenance items, such as electrical equipment, elevators, and HVAC system replacements/upgrades.
- Transfer to Fund Balance represents the amount set aside to fund a capital reserve for future needs.
- Transfers to Other Funds represents an interfund loan repayment projected to be complete in FY18.

**DURHAM PERFORMING ARTS FUND  
PROJECTION**

	<b>FY2017-18</b>	<b>FY2018-19</b>	<b>FY2019-20</b>	<b>FY2020-21</b>	<b>FY2021-22</b>	<b>FY2021-23</b>
<b>Revenues</b>						
Other Local Taxes	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000	\$1,400,000
Other Revenues	1,120,000	1,052,500	965,000	1,052,500	1,017,500	956,250
Interest Income	27,382	31,863	34,363	37,745	41,302	33,575
Operating Revenues	1,459,057	1,658,347	1,411,387	1,596,431	1,531,127	1,280,234
Appropriation from Fund Balance	1,288,699	-	-	-	-	1,553,005
<b>Total Revenues</b>	<b>\$5,295,139</b>	<b>\$4,142,710</b>	<b>\$3,810,749</b>	<b>\$4,086,676</b>	<b>\$3,989,928</b>	<b>\$5,223,064</b>
<b>Appropriations</b>						
Operating	352,421	357,557	362,829	368,239	373,793	379,493
Capital and Other	2,711,258	648,314	713,740	804,587	664,104	2,606,375
Debt Service	2,231,460	2,236,225	2,231,745	2,234,005	2,237,119	2,237,197
Appropriation to Fund Balance	-	900,614	502,435	679,845	714,912	-
<b>Total Appropriations</b>	<b>\$5,295,139</b>	<b>\$4,142,710</b>	<b>\$3,810,749</b>	<b>\$4,086,676</b>	<b>\$3,989,928</b>	<b>\$5,223,064</b>

**Revenue Assumptions**

- Other Local Taxes represents Occupancy Tax collections from Durham County. Durham Performing Arts Center is funded with 1% of collections, up to a maximum of \$1,400,000 annually.
- Other revenues represent Ticket Facility Fee Revenue and Naming Rights. Ticket facility fees are a \$1.50 surcharge charged on each ticket purchased for events and performances held at DPAC. Naming Rights fluctuate year to year as organizations' contractual rights to naming change.
- Operating revenues represents the City's share of the net operating revenue of the facility. The City of Durham receives a percentage of net operating revenue, based upon how much revenue falls into various reimbursement tiers. The current reimbursement schedule is as follows:
  - Tier 1: 40% of revenue below \$2,000,000
  - Tier 2: 30% of revenue between \$2,000,000 and \$2,300,000
  - Tier 3: 40% of revenue between \$2,300,000 and \$3,000,000
  - Tier 4: 20% of revenue above \$3,000,000
- Interest Income represents revenues gained through the commitment of City funds to investment instruments allowed under State Statute.
- Appropriations from Fund Balance represents any costs not covered from revenue sources.

**Appropriation Assumptions**

- Operating costs represent commissions and fees to meet contractual obligations for the operation of the facility and are projected to grow at 3% annually.
- Capital and other represents expenses related to the maintenance, improvement, and repairs to the facility. These expenses were previously captured in the DPAC Capital Facilities fund, which was consolidated with the annual operating fund for the 2014-15 fiscal year.
- Debt service represents expected debt service on Certificates of Participation issued to finance the theatre.
- Appropriation to Fund Balance represents transfers for any surplus revenue beyond expenditures.



# SUMMARY OF REVENUES AND APPROPRIATIONS FOR ALL FUNDS

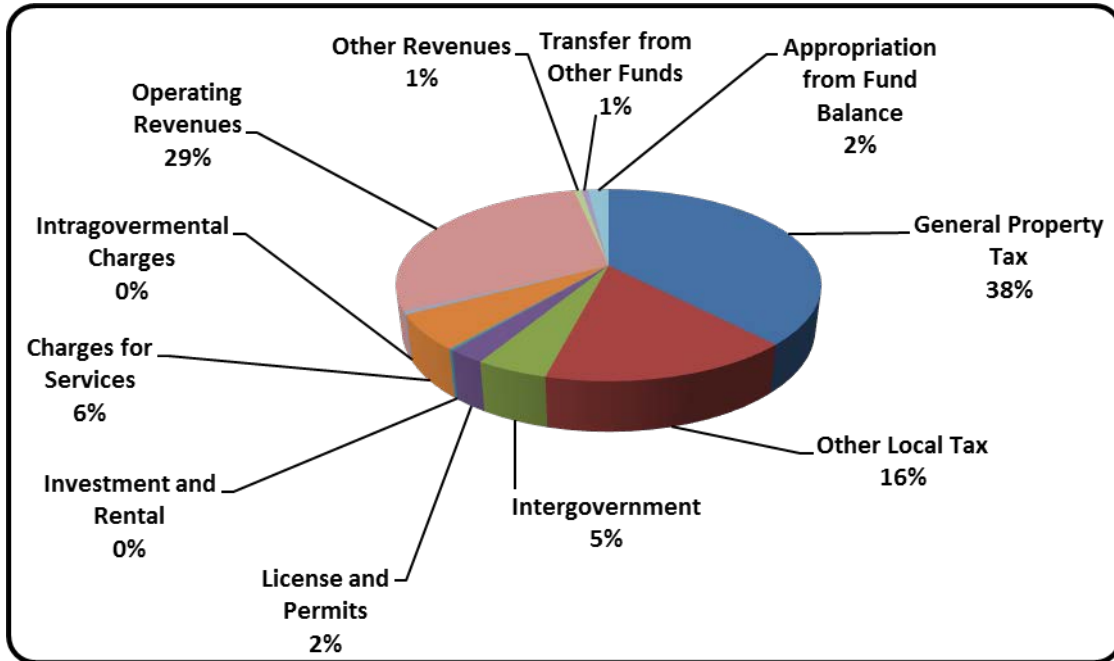
	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18
General Property Taxes	\$ 150,915,809	\$ 156,026,447	\$ 158,505,028	\$ 163,330,381
Other Local Taxes	64,465,313	62,767,263	64,705,221	68,166,579
Intergovernmental	17,654,529	18,314,402	17,890,746	19,542,996
Licenses and Permits	10,062,520	10,050,318	11,297,026	10,271,607
Investment and Rental Income	9,640,986	935,578	1,074,962	1,091,355
Charges for Current Services	23,770,076	23,585,010	24,499,754	25,346,809
Intragovernmental Charges	2,028,437	1,857,628	2,012,582	2,007,073
Operating Revenues	117,524,971	117,369,796	125,273,735	125,803,432
Other Revenues	10,358,698	3,425,749	76,795,629	3,029,162
Transfers from Other Funds	5,130,530	2,579,288	3,514,736	2,557,124
Appropriation from Fund Balance	1,206,556	8,073,638	13,510,677	8,216,119
<b>Total Revenues</b>	<b>\$ 412,758,425</b>	<b>\$ 404,985,117</b>	<b>\$ 499,080,094</b>	<b>\$ 429,362,637</b>
Personal Services	\$ 168,372,283	\$ 185,654,107	\$ 179,289,602	\$ 195,608,491
Operating	93,906,354	104,294,893	115,169,759	108,943,078
Capital	2,317,805	1,912,774	7,710,638	4,785,213
Debt Service	61,340,211	48,371,641	99,995,279	48,236,069
Transfers To Other Funds	42,226,419	40,649,446	44,964,727	55,684,717
Other	807,469	1,291,604	18,666,342	765,598
Transfer to Fund Balance	43,787,884	22,810,652	33,283,748	15,339,471
<b>Total Appropriations</b>	<b>\$ 412,758,425</b>	<b>\$ 404,985,117</b>	<b>\$ 499,080,094</b>	<b>\$ 429,362,637</b>

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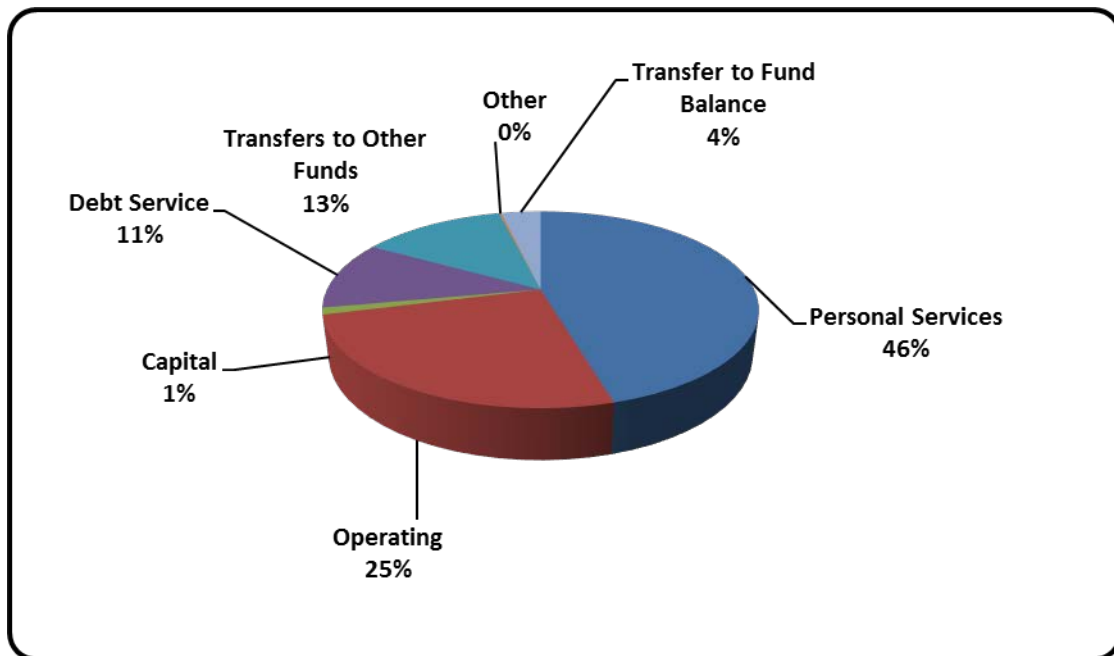
## SUMMARY OF REVENUES AND APPROPRIATIONS FOR ALL FUNDS

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### FY 2017-2018 REVENUES



### FY 2017-2018 APPROPRIATIONS

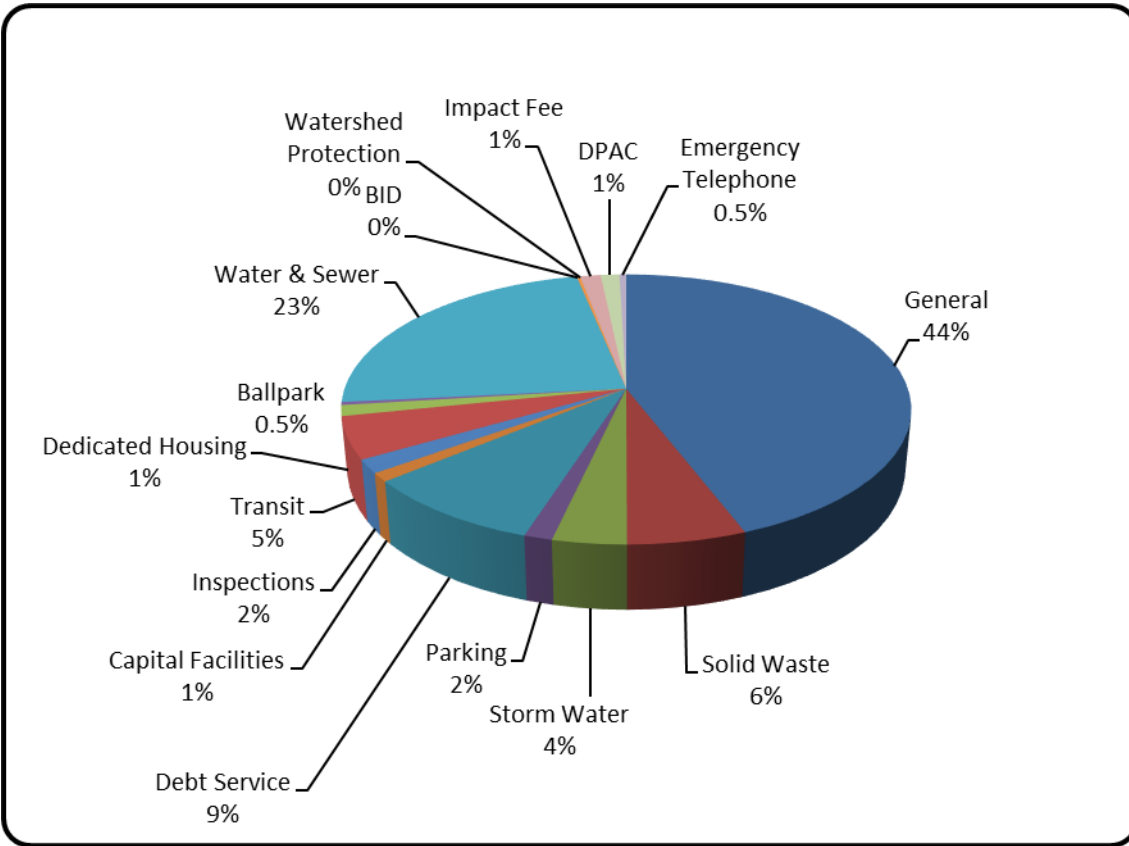


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## SUMMARY OF ALL FUNDS RECOGNIZED IN BUDGET ORDINANCE

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### Budget Ordinance



**SUMMARY OF REVENUES FOR ALL  
FUNDS RECOGNIZED IN BUDGET ORDINANCE**

	Actual FY 2015-16		Adopted FY 2016-17		Estimated FY 2016-17		Proposed FY 2017-18	
<b>General Fund</b>								
General Property Taxes	\$	90,380,805	\$	88,713,260	\$	91,110,579	\$	93,184,096
Other Local Taxes		62,973,917		61,367,263		63,305,221		66,766,579
State-Shared Revenues		11,664,519		12,008,581		11,632,290		11,742,340
Licenses and Permits		1,077,982		1,382,704		1,323,860		506,000
Interest and Rental Income		113,014		126,272		161,900		114,677
Charges for Current Services		7,398,751		7,569,473		8,013,895		8,037,822
Intragovernmental Revenues		2,028,437		1,857,628		2,012,582		2,007,073
Other Revenues		1,056,458		941,600		1,057,981		953,100
Transfers from Other Funds		1,186,750		-		-		-
<b>Subtotal Current Revenues</b>	<b>\$</b>	<b>177,880,633</b>	<b>\$</b>	<b>173,966,781</b>	<b>\$</b>	<b>178,618,308</b>	<b>\$</b>	<b>183,311,687</b>
Appropriation from Fund Balance		-		7,673,565		8,048,987		6,100,917
<b>Total Revenues</b>	<b>\$</b>	<b>177,880,633</b>	<b>\$</b>	<b>181,640,346</b>	<b>\$</b>	<b>186,667,295</b>	<b>\$</b>	<b>189,412,604</b>
<b>Debt Service Fund</b>								
General Property Taxes	\$	32,950,081	\$	35,796,152	\$	35,826,316	\$	36,358,161
Interest		69,022		-		-		-
Other Revenue		643,560		622,013		622,013		598,195
Bond Refunding		6,186,377		-		18,044,836		-
Intergovernmental		1,217,222		939,258		939,258		1,878,516
<b>Subtotal Current Revenues</b>	<b>\$</b>	<b>41,066,262</b>	<b>\$</b>	<b>37,357,423</b>	<b>\$</b>	<b>55,432,423</b>	<b>\$</b>	<b>38,834,872</b>
Appropriations from Fund Balance		-		-		-		-
<b>Total Revenues</b>	<b>\$</b>	<b>41,066,262</b>	<b>\$</b>	<b>37,357,423</b>	<b>\$</b>	<b>55,432,423</b>	<b>\$</b>	<b>38,834,872</b>
<b>Water and Sewer Fund</b>								
Investment and Rental Income	\$	893,603	\$	522,000	\$	580,390	\$	592,500
Water and Sewer Sales		90,409,054		92,112,570		95,256,569		97,527,427
Other Operating Revenue		1,258,735		987,000		1,470,467		1,312,000
Licenses and Permits		140,086		90,000		157,494		145,000
Bond Refunding		-		-		55,725,709		-
Other		936,406		408,849		-		10,000
Transfer from Other Funds		400,222		-		130,018		-
<b>Subtotal Current Revenues</b>	<b>\$</b>	<b>94,038,107</b>	<b>\$</b>	<b>94,120,419</b>	<b>\$</b>	<b>153,320,647</b>	<b>\$</b>	<b>99,586,927</b>
Appropriations from Fund Balance		-		-		-		609,543
<b>Total Revenues</b>	<b>\$</b>	<b>94,038,107</b>	<b>\$</b>	<b>94,120,419</b>	<b>\$</b>	<b>153,320,647</b>	<b>\$</b>	<b>100,196,470</b>
<b>Solid Waste Disposal Fund</b>								
General Property Taxes	\$	14,799,180	\$	16,853,334	\$	16,867,536	\$	17,564,734
Interest and Rental Income		50,504		10,000		27,000		30,000
Charges for Services		6,273,772		6,080,361		7,023,535		7,084,624
Solid Waste Fee		(4)		-		-		-
Intergovernmental Revenues		155,404		157,376		166,606		167,322
Landfill Gas		193,898		193,060		110,000		140,000
Other Financing Sources		5,498		-		560		140
Transfers From Other Funds		15,000		90,130		90,130		127,695
<b>Subtotal Current Revenues</b>	<b>\$</b>	<b>21,493,252</b>	<b>\$</b>	<b>23,384,261</b>	<b>\$</b>	<b>24,285,367</b>	<b>\$</b>	<b>25,114,515</b>
Appropriation From Fund Balance		-		-		161,620		-
<b>Total Revenues</b>	<b>\$</b>	<b>21,493,252</b>	<b>\$</b>	<b>23,384,261</b>	<b>\$</b>	<b>24,446,987</b>	<b>\$</b>	<b>25,114,515</b>
<b>Stormwater Management Fund</b>								
Interest and Rental Income	\$	57,671	\$	25,000	\$	25,000	\$	34,000
Operating Revenues		16,089,656		15,414,729		15,532,629		15,486,348
Transfer from Other Funds		109,047		109,047		109,047		109,047
<b>Subtotal Current Revenues</b>	<b>\$</b>	<b>16,256,374</b>	<b>\$</b>	<b>15,548,776</b>	<b>\$</b>	<b>15,666,676</b>	<b>\$</b>	<b>15,629,395</b>
Appropriations from Fund Balance		-		-		-		-
<b>Total Revenues</b>	<b>\$</b>	<b>16,256,374</b>	<b>\$</b>	<b>15,548,776</b>	<b>\$</b>	<b>15,666,676</b>	<b>\$</b>	<b>15,629,395</b>

**Transit Fund**

General Property Taxes	\$ 9,792,595	\$ 11,299,707	\$ 11,309,229	\$ 9,941,248
Licenses and Permits	2,603,956	2,480,521	2,650,000	2,700,000
Intergovernmental	4,617,384	5,209,187	5,152,592	5,754,818
Charges for Current Services	3,262,253	3,442,022	3,269,317	3,060,521
Other Revenue	116,427	147,727	122,030	207,727
<b>Subtotal Current Revenues</b>	<b>\$ 20,392,615</b>	<b>\$ 22,579,164</b>	<b>\$ 22,503,168</b>	<b>\$ 21,664,314</b>
Appropriation from Fund Balance	-	-	1,695,899	-
<b>Total Revenues</b>	<b>\$ 20,392,615</b>	<b>\$ 22,579,164</b>	<b>\$ 24,199,067</b>	<b>\$ 21,664,314</b>

**Parking Facilities Fund**

Interest and Rental Income	\$ 8,019,928	\$ 3,000	\$ 12,000	\$ 12,000
Charges for Current Services	4,070,356	4,493,336	3,983,535	5,082,231
Transfers from Other Funds	1,924,735	914,757	914,757	882,707
<b>Subtotal Current Revenues</b>	<b>\$ 14,015,019</b>	<b>\$ 5,411,093</b>	<b>\$ 4,910,292</b>	<b>\$ 5,976,938</b>
Appropriations from Fund Balance	-	-	-	-
<b>Total Revenues</b>	<b>\$ 14,015,019</b>	<b>\$ 5,411,093</b>	<b>\$ 4,910,292</b>	<b>\$ 5,976,938</b>

**Ballpark Fund**

Interest and Rental Income	\$ 9,573	\$ 3,000	\$ 4,500	\$ 6,000
Charges for Services	255,038	244,712	244,712	258,071
Transfers from Other Funds	1,244,776	1,215,354	1,215,354	1,187,675
<b>Subtotal Current Revenues</b>	<b>\$ 1,509,387</b>	<b>\$ 1,463,066</b>	<b>\$ 1,464,566</b>	<b>\$ 1,451,746</b>
Appropriation from Fund Balance	-	-	-	56,610
<b>Total Revenues</b>	<b>\$ 1,509,387</b>	<b>\$ 1,463,066</b>	<b>\$ 1,464,566</b>	<b>\$ 1,508,356</b>

**Durham Performing Arts Center Fund**

Other Local Taxes	\$ 1,491,396	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Other Revenues	1,220,074	1,112,500	1,112,500	1,120,000
Interest and Rental Income	33,345	6,000	14,000	27,382
Operating Revenues	1,847,823	1,362,538	1,362,538	1,459,057
<b>Subtotal Current Revenues</b>	<b>\$ 4,592,638</b>	<b>\$ 3,881,038</b>	<b>\$ 3,889,038</b>	<b>\$ 4,006,439</b>
Appropriation from Fund Balance	-	-	671,542	1,288,699
<b>Total Revenues</b>	<b>\$ 4,592,638</b>	<b>\$ 3,881,038</b>	<b>\$ 4,560,580</b>	<b>\$ 5,295,138</b>

**LEO Special Separation Fund**

Charges for Current Services	\$ 416,268	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 416,268</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Cemetery Fund**

Appropriations from Fund Balance	1,186,451	-	-	-
<b>Total Revenues</b>	<b>\$ 1,186,451</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Other Post Employment Benefits Fund**

Charges for Services	\$ 301,430	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 301,430</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Business Improvement District Fund**

General Property Taxes	\$ 463,028	\$ 614,674	\$ 639,731	\$ 697,172
Transfers from Other Funds	250,000	250,000	250,000	250,000
<b>Total Revenues</b>	<b>\$ 713,028</b>	<b>\$ 864,674</b>	<b>\$ 889,731</b>	<b>\$ 947,172</b>

**Dedicated Housing Fund**

General Property Taxes	\$ 2,530,120	\$ 2,749,320	\$ 2,751,637	\$ 5,584,970
Charges For Current Services	64,394	-	189,154	-
Transfer from Other Funds	-	-	805,430	-
<b>Subtotal Current Revenues</b>	<b>\$ 2,594,514</b>	<b>\$ 2,749,320</b>	<b>\$ 3,746,221</b>	<b>\$ 5,584,970</b>
Appropriations from Fund Balance	-	-	2,025,405	-
<b>Total Revenues</b>	<b>\$ 2,594,514</b>	<b>\$ 2,749,320</b>	<b>\$ 5,771,625</b>	<b>\$ 5,584,970</b>

**Emergency Telephone Surcharge Fund**

Charges for Services	\$ 1,619,955	\$ 1,668,106	\$ 1,668,106	\$ 1,723,540
Interest and Rental Income	580	3,000	3,000	3,000
Transfer from Other Funds	-	-	507,151	-
<b>Subtotal Current Revenues</b>	<b>\$ 1,620,535</b>	<b>\$ 1,671,106</b>	<b>\$ 2,178,257</b>	<b>\$ 1,726,540</b>
Appropriations from Fund Balance	20,105	400,073	400,073	160,350
<b>Total Revenues</b>	<b>\$ 1,640,640</b>	<b>\$ 2,071,179</b>	<b>\$ 2,578,330</b>	<b>\$ 1,886,890</b>

**Inspections Fund**

Licenses and Permits	\$	6,240,496	\$	6,097,093	\$	7,165,672	\$	6,920,607
Interest and Rental Income		44,607		36,306		66,172		61,796
<b>Total Revenues</b>	<b>\$</b>	<b>6,285,103</b>	<b>\$</b>	<b>6,133,399</b>	<b>\$</b>	<b>7,231,844</b>	<b>\$</b>	<b>6,982,403</b>

**Impact Fee Fund**

Operating Revenues	\$	3,246,076	\$	3,087,959	\$	5,619,532	\$	5,563,600
Interest and Rental Income		282,209		151,000		151,000		169,000
<b>Total Revenues</b>	<b>\$</b>	<b>3,528,285</b>	<b>\$</b>	<b>3,238,959</b>	<b>\$</b>	<b>5,770,532</b>	<b>\$</b>	<b>5,732,600</b>

**Capital Facilities Fees Fund**

Interest and Rental Income	\$	66,930	\$	50,000	\$	30,000	\$	41,000
Operating Revenues		4,673,631		4,405,000		6,032,000		4,455,000
<b>Total Revenues</b>	<b>\$</b>	<b>4,740,561</b>	<b>\$</b>	<b>4,455,000</b>	<b>\$</b>	<b>6,062,000</b>	<b>\$</b>	<b>4,496,000</b>

**Watershed Protection Fund**

Charges for Services		107,859		87,000		107,500		100,000
<b>Total Revenues</b>	<b>\$</b>	<b>107,859</b>	<b>\$</b>	<b>87,000</b>	<b>\$</b>	<b>107,500</b>	<b>\$</b>	<b>100,000</b>

<b>Total Budget Ordinance</b>	<b>\$</b>	<b>412,758,425</b>	<b>\$</b>	<b>404,985,117</b>	<b>\$</b>	<b>499,080,095</b>	<b>\$</b>	<b>429,362,637</b>
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**SUMMARY OF ALL REVENUES FOR ALL  
FUNDS RECOGNIZED IN INTERNAL SERVICE FUND SPENDING PLANS**

	<b>Actual FY 2015-16</b>	<b>Adopted FY 2016-17</b>	<b>Estimated FY 2016-17</b>	<b>Proposed FY 2017-18</b>
<b>Risk Reduction Fund</b>				
Interest and Rental Income	\$ 80,529	\$ 40,000	\$ 40,000	\$ 48,000
Charges for Current Services	4,932,803	5,010,994	5,010,994	4,720,838
Transfer from Other Funds	48,719	-	-	-
<b>Subtotal Current Revenues</b>	<b>\$ 5,062,051</b>	<b>\$ 5,050,994</b>	<b>\$ 5,050,994</b>	<b>\$ 4,768,838</b>
Appropriation from Fund Balance	-	392,436	392,436	700,000
<b>Total Revenues</b>	<b>\$ 5,062,051</b>	<b>\$ 5,443,430</b>	<b>\$ 5,443,430</b>	<b>\$ 5,468,838</b>
<b>Employee Insurance Fund</b>				
Charges for Current Services	\$ 30,776,712	\$ 31,574,333	31,574,333	36,666,076
Interest	62,745	46,000	46,000	37,000
<b>Subtotal Current Revenues</b>	<b>\$ 30,839,457</b>	<b>\$ 31,620,333</b>	<b>\$ 31,620,333</b>	<b>\$ 36,703,076</b>
Appropriation from Fund Balance	3,395,990	1,639,580	2,208,002	-
<b>Total Revenues</b>	<b>\$ 34,235,447</b>	<b>\$ 33,259,913</b>	<b>\$ 33,828,335</b>	<b>\$ 36,703,076</b>
<b>Total Internal Service Funds</b>	<b>\$ 39,297,498</b>	<b>\$ 38,703,343</b>	<b>\$ 39,271,765</b>	<b>\$ 42,171,914</b>

**SUMMARY OF ALL REVENUES FOR ALL  
FUNDS RECOGNIZED IN MAJOR GRANT FUND ORDINANCES**

	<b>Actual FY 2015-16</b>	<b>Adopted FY 2016-17</b>	<b>Estimated FY 2016-17</b>	<b>Proposed FY 2017-18</b>
<b>Community Development</b>	3,753,872	4,009,007	3,010,266	3,540,000
<b>Employment and Training</b>	2,140,545	1,845,957	1,394,250	1,802,012
<b>Transit</b>	4,243,274	6,509,377	6,509,377	5,830,979
<b>Transportation Planning</b>	2,241,079	2,715,731	2,778,000	2,772,896
<b>Public Safety</b>	625,104	1,422,919	1,270,474	1,235,757
<b>Total Major Grant Funds</b>	<b>\$ 13,003,874</b>	<b>\$ 16,502,991</b>	<b>\$ 14,962,367</b>	<b>\$ 15,181,644</b>
<b>TOTAL ALL REVENUES</b>	<b>\$ 465,059,797</b>	<b>\$ 460,191,451</b>	<b>\$ 553,314,226</b>	<b>\$ 486,716,195</b>



## SUMMARY OF APPROPRIATIONS FOR ALL FUNDS

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18
<b>Budget Ordinance</b>				
General Fund				
Governance	\$ 6,570,024	\$ 6,395,356	\$ 6,663,567	\$ 7,203,570
Administrative and Support	15,164,490	16,258,954	17,211,043	16,974,286
Community Building	13,256,126	14,818,666	16,328,745	15,120,127
Public Safety	92,878,655	93,008,429	93,638,822	97,158,625
Public Services	45,345,147	46,835,968	48,328,373	46,050,970
Non-assigned	4,666,191	4,322,973	4,496,745	6,905,026
<b>Total General Fund</b>	<b>\$ 177,880,633</b>	<b>\$ 181,640,346</b>	<b>\$ 186,667,295</b>	<b>\$ 189,412,604</b>
Water & Sewer Fund				
Public Services	\$ 41,856,716	\$ 46,816,159	\$ 46,037,364	\$ 48,322,246
Administrative and Support	168,957	211,112	208,850	71,798
Non-departmental	52,012,433	47,093,148	107,074,433	51,802,426
<b>Total Water &amp; Sewer Fund</b>	<b>\$ 94,038,106</b>	<b>\$ 94,120,419</b>	<b>\$ 153,320,647</b>	<b>\$ 100,196,470</b>
Ballpark Fund				
Business Improvement District Fund	\$ 1,509,387	\$ 1,463,066	\$ 1,464,566	\$ 1,508,356
Capital Facilities Fee Fund	713,028	864,674	889,731	947,172
Cemetery Fund	4,740,561	4,455,000	6,062,000	4,496,000
Debt Service Fund	1,186,451	-	-	-
Dedicated Housing Fund	41,066,262	37,357,423	55,432,423	38,834,872
Durham Performing Arts Center Fund	2,594,513	2,749,320	5,771,625	5,584,970
Emergency Telephone System Fund	4,592,638	3,881,038	4,560,580	5,295,138
Impact Fee Fund	1,640,640	2,071,179	2,578,330	1,886,890
Inspections Fund	3,528,285	3,238,959	5,770,532	5,732,600
LEO Special Allowance Fund	6,285,103	6,133,399	7,231,844	6,982,403
Other Post Employment Benefits Fund	416,268	-	-	-
Parking Facilities Fund	301,430	-	-	-
Solid Waste Disposal Fund	14,015,019	5,411,093	4,910,292	5,976,938
Stormwater Fund	21,493,252	23,384,261	24,446,987	25,114,515
Transit Fund	16,256,374	15,548,776	15,666,676	15,629,395
Watershed Protection Fund	20,392,615	22,579,164	24,199,067	21,664,314
<b>Total Budget Ordinance</b>	<b>\$ 412,758,425</b>	<b>\$ 404,985,117</b>	<b>\$ 499,080,095</b>	<b>\$ 429,362,637</b>
<b>Internal Service Funds</b>				
Employee Insurance Fund	34,235,447	33,259,913	33,828,335	36,703,076
Risk Reduction Fund	\$ 5,062,051	\$ 5,443,430	\$ 5,443,430	\$ 5,468,838
<b>Total Internal Services Funds</b>	<b>\$ 39,297,498</b>	<b>\$ 38,703,343</b>	<b>\$ 39,271,765</b>	<b>\$ 42,171,914</b>
<b>Major Grant Funds</b>				
Community Development	\$ 3,753,872	\$ 4,009,007	\$ 3,010,266	\$ 3,540,000
Employment and Training	2,140,545	1,845,957	1,394,250	1,802,012
Public Safety	625,104	1,422,919	1,270,474	1,235,757
Transit	4,243,274	6,509,377	6,509,377	5,830,979
Transportation Planning	2,241,079	2,715,731	2,778,000	2,772,896
<b>Total Major Grant Funds</b>	<b>\$ 13,003,874</b>	<b>\$ 16,502,991</b>	<b>\$ 14,962,367</b>	<b>\$ 15,181,644</b>
<b>Subtotal All Funds</b>	<b>\$ 465,059,797</b>	<b>\$ 460,191,451</b>	<b>\$ 553,314,227</b>	<b>\$ 486,716,195</b>
Less: Intradepartment Transfers	(3,869,259)	(2,579,288)	(3,384,718)	(3,147,371)
Less: Internal Service Charges	(8,957,045)	(10,366,018)	(10,366,018)	(9,043,901)
<b>Total All Funds</b>	<b>\$ 452,233,493</b>	<b>\$ 447,246,145</b>	<b>\$ 539,563,491</b>	<b>\$ 474,524,923</b>

**ALL FY 2017-18 OPERATING FUNDS BY APPROPRIATION CATEGORY**

	Personal Services	Operating	Capital Outlay	Debt Service	Transfers to Other Funds	Other	Total
<b>Budget Ordinance</b>							
General Fund	\$ 147,410,931	\$ 31,695,919	\$ 923,336	-	\$ 8,659,883	\$ 722,535	\$ 189,412,604
Water & Sewer Fund	27,992,356	28,153,439	-	10,412,619	33,638,056	-	100,196,470
Debt Service Fund	-	422,660	-	28,530,704	3,020,382	6,861,126	38,834,872
Solid Waste Disposal Fund	7,325,105	12,928,921	280,695	4,248,931	157,818	173,045	25,114,515
Stormwater Fund	8,013,605	3,116,332	165,836	-	3,904,816	428,806	15,629,395
Transit Fund	-	19,867,256	278,459	194,182	1,324,417	-	21,664,314
Parking Facilities Fund	255,009	3,689,675	-	1,359,597	-	672,657	5,976,938
Ballpark Fund	-	112,610	-	1,258,576	137,170	-	1,508,356
Durham Performing Arts Center	-	2,808,678	255,000	2,231,460	-	-	5,295,138
LEO Special Allowance	-	-	-	-	-	-	-
Cemetery Fund	-	-	-	-	-	-	-
Other Post Employment Benefits	-	-	-	-	-	-	-
Business Improvement District	-	776,414	-	-	127,695	43,063	947,172
Dedicated Housing Fund	78,507	2,586,069	2,760,007	-	-	160,387	5,584,970
Emergency Telephone Fund	272,768	1,515,242	98,880	-	-	-	1,886,890
Inspections Fund	4,260,210	1,269,863	23,000	-	118,480	1,310,850	6,982,403
Impact Fee Fund	-	-	-	-	-	5,732,600	5,732,600
Capital Facilities Fee Fund	-	-	-	-	4,496,000	-	4,496,000
Watershed Protection Fund	-	-	-	-	100,000	-	100,000
<b>Total Budget Ordinance</b>	<b>\$ 195,608,491</b>	<b>\$ 108,943,078</b>	<b>\$ 4,785,213</b>	<b>\$ 48,236,069</b>	<b>\$ 55,684,717</b>	<b>\$ 16,105,069</b>	<b>\$ 429,362,637</b>
<b>Internal Service Funds</b>							
Risk Retention Fund	\$ 479,410	\$ 4,831,068	\$ -	\$ -	\$ 158,360	\$ -	\$ 5,468,838
Employee Insurance Fund	585,545	34,194,024	-	-	-	1,923,507	36,703,076
<b>Total Internal Service Funds</b>	<b>\$ 1,064,955</b>	<b>\$ 39,025,092</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 158,360</b>	<b>\$ 1,923,507</b>	<b>\$ 42,171,914</b>
<b>Grant Project Ordinances</b>							
Community Development Grants	\$ 572,000	\$ 2,968,000	\$ -	\$ -	\$ -	\$ -	\$ 3,540,000
Employment and Training	480,992	1,321,020	-	-	-	-	1,802,012
Transit Grants	182,744	4,057,362	1,590,873	-	-	-	5,830,979
Transportation Planning	1,269,500	1,503,396	-	-	-	-	2,772,896
Public Safety	199,751	1,036,006	-	-	-	-	1,235,757
<b>Total Grant Proj Ordinances</b>	<b>\$ 2,704,987</b>	<b>\$ 10,885,784</b>	<b>\$ 1,590,873</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,181,644</b>
<b>Total - All Funds</b>	<b>\$ 199,378,433</b>	<b>\$ 158,853,954</b>	<b>\$ 6,376,086</b>	<b>\$ 48,236,069</b>	<b>\$ 55,843,077</b>	<b>\$ 18,028,576</b>	<b>\$ 486,716,195</b>

## INTRABUDGET TRANSFERS

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>To Operating Budget Funds</b>					
<b>To Ballpark Fund</b>					
From General Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	0.0%
From Debt Service Fund	1,194,776	1,165,354	1,165,354	1,137,675	-2.4%
<b>Subtotal</b>	<b>\$ 1,244,776</b>	<b>\$ 1,215,354</b>	<b>\$ 1,215,354</b>	<b>\$ 1,187,675</b>	<b>-2.3%</b>
<b>To Dedicated Housing Fund</b>					
From General Fund	\$ -	\$ -	\$ 805,430	\$ -	0.0%
<b>To General Fund</b>					
From Cemetery Fund	\$ 1,186,451	\$ -	\$ -	\$ -	0.0%
<b>To Solid Waste Fund</b>					
From BID Fund	15,000	90,130	90,130	127,695	41.7%
<b>To Parking Fund</b>					
From Debt Service Fund	\$ 1,924,735	\$ 914,757	\$ 914,757	\$ 882,707	-3.5%
<b>To BID Fund</b>					
From General Fund	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	0.0%
<b>To Water and Sewer Fund</b>					
From General Fund	\$ 276,982	\$ -	\$ -	\$ -	0.0%
<b>To Stormwater Fund</b>					
From Transit Fund	109,047	109,047	109,047	109,047	0.0%
<b>To Other Post Employment Fund</b>					
Charges for Services General Fund	\$ 3,204,857	\$ 3,236,222	\$ 3,236,222	\$ 3,678,593	13.7%
Charges for Services Other Funds	819,385	1,057,252	1,057,252	1,248,818	18.1%
<b>Subtotal</b>	<b>\$ 4,024,242</b>	<b>\$ 4,293,474</b>	<b>\$ 4,293,474</b>	<b>\$ 4,927,411</b>	<b>14.8%</b>
<b>To Risk Retention Fund</b>					
From General Fund	\$ 48,719	\$ -	\$ -	\$ -	0.0%
Charges for Services General Fund	3,291,717	3,286,656	3,286,656	2,427,682	-26.1%
Charges for Services Other Funds	1,641,086	2,785,888	2,785,888	1,688,808	-39.4%
<b>Subtotal</b>	<b>\$ 4,981,522</b>	<b>\$ 6,072,544</b>	<b>\$ 6,072,544</b>	<b>\$ 4,116,490</b>	<b>-32.2%</b>
<b>From the General Fund - Transfers</b>	<b>\$ 625,701</b>	<b>\$ 300,000</b>	<b>\$ 1,105,430</b>	<b>\$ 300,000</b>	<b>0.0%</b>
<b>From Other Funds - Transfers</b>	<b>\$ 4,430,009</b>	<b>\$ 2,279,288</b>	<b>\$ 2,279,288</b>	<b>\$ 2,257,124</b>	<b>-1.0%</b>
<b>Internal Service Charges - General Fund</b>	<b>\$ 6,496,574</b>	<b>\$ 6,522,878</b>	<b>\$ 6,522,878</b>	<b>\$ 6,106,275</b>	<b>-6.4%</b>
<b>Internal Service Charges - Other Funds</b>	<b>\$ 2,460,471</b>	<b>\$ 3,843,140</b>	<b>\$ 3,843,140</b>	<b>\$ 2,937,626</b>	<b>-23.6%</b>
<b>Total Intrabudget Transfers</b>	<b>\$ 14,012,755</b>	<b>\$ 12,945,306</b>	<b>\$ 13,750,736</b>	<b>\$ 11,601,025</b>	<b>-10.4%</b>

## PROPERTY TAX BASE INFORMATION

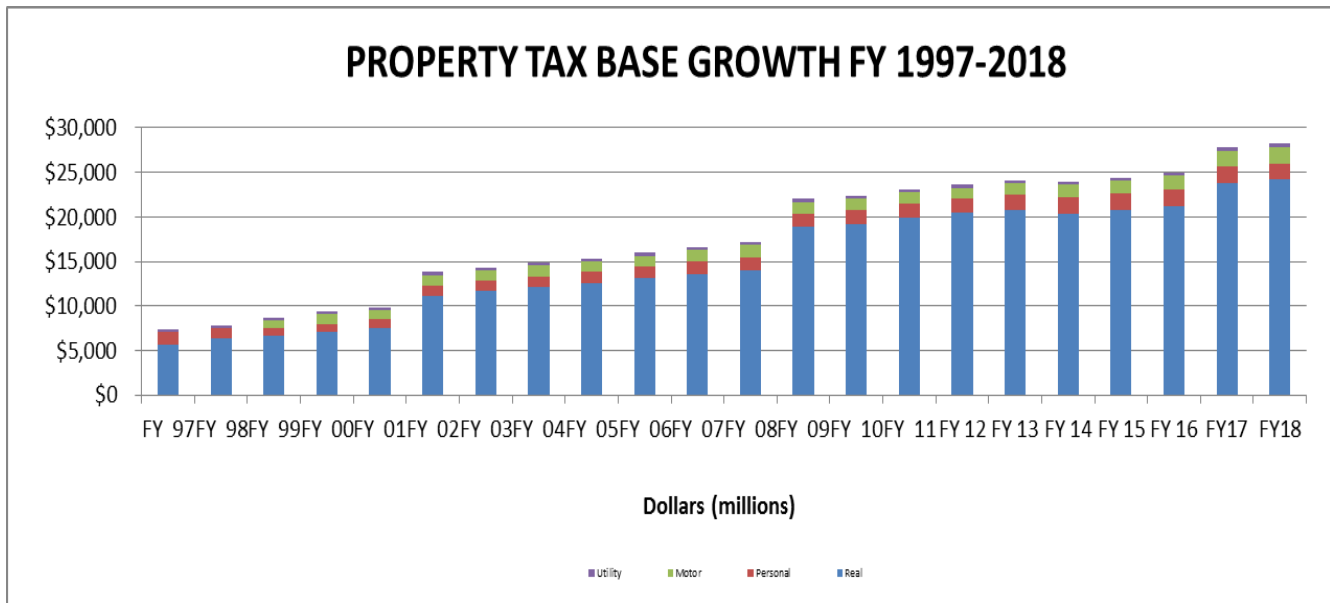
### **Tax Base Components:**

**Real Property** is comprised of all land and buildings that are taxable. An increase of 1.81% is projected when compared with the FY 2016-17 budget. The assessed value data is obtained from the Durham County Tax Assessor's Office. Real property makes up over 85.8% of the tax base for FY 2017-18.

**Personal Property** is comprised of property located in businesses. Based on data from the County Tax Assessor's office, changes at the State level to tax policy, and recent trends, a decrease of 5.89% is projected for FY 2017-18. Personal property makes up over 6.4% of the tax base for FY 2017-18.

**Motor Vehicle** is comprised of items such as automobiles, boats, trailers and equipment. An increase of 6.82% is projected for motor vehicle personal property based on data from the County Tax Assessor's office. Motor Vehicle property makes up over 6.6% of the tax base for FY 2016-17.

**Public Utility Property** is a state-certified value consisting of businesses such as electric utility, telephone, railroad and trucking companies. Based on data from the County Tax Assessor's office an increase of 0.55% is projected for FY 2017-18. Public utility property makes up over 1.3% of the tax base in FY 2017-18.



The table below depicts the annual property valuation changes that have occurred in the four components of the tax base since FY 2007-08. Property is reassessed every eight years. The last revaluation was completed effective with the 2016-17 fiscal year. (Sources: City Financial Reports, County Tax Office)

Fiscal Year	Real	% Chg	Personal	% Chg	Motor	% Chg	Utility	% Chg
FY 08	14,060	3.51%	1,450	2.98%	1,343	0.00%	279	0.00%
FY 09	18,915	34.53%	1,443	-0.48%	1,343	0.00%	326	16.85%
FY 10	19,241	1.72%	1,525	5.68%	1,331	-0.89%	300	-7.98%
FY 11	19,886	3.35%	1,555	1.97%	1,358	2.03%	342	14.00%
FY 12	20,457	2.87%	1,607	3.34%	1,230	-9.43%	323	-5.56%
FY 13	20,839	1.87%	1,605	-0.12%	1,315	6.91%	300	-7.12%
FY 14	20,391	-2.15%	1,850	15.26%	1,449	10.19%	323	7.67%
FY 15	20,840	2.20%	1,785	-3.51%	1,493	3.04%	300	-7.12%
FY 16	21,179	1.63%	1,890	5.88%	1,583	6.03%	329	9.67%
FY 17	23,756	12.17%	1,918	1.48%	1,731	9.35%	365	10.94%
FY 18	24,187	1.81%	1,805	-5.89%	1,849	6.82%	367	0.55%

## TAX RATE AND ESTIMATED TAX COLLECTIONS

	Actual FY2015-16	Adopted FY2016-17	Estimated FY2016-17	Proposed FY2017-18
Assessed Value				
Real Property	\$ 21,180,478,027	\$ 23,755,832,941	\$ 23,759,670,782	\$ 24,186,851,676
Personal Property	3,676,257,537	1,918,088,896	1,818,947,142	1,804,777,656
Motor Vehicles	-	1,731,637,618	1,848,659,633	1,848,659,633
Public Utility Property	359,600,653	365,354,263	367,037,614	366,635,357
Assessed Valuation	\$ 25,216,336,217	\$ 27,770,913,718	\$ 27,794,315,171	\$ 28,206,924,322
Tax Rate Per \$100 Valuation				
General Fund	\$ 0.3538	\$ 0.3181	\$ 0.3181	\$ 0.3299
Dedicated Housing	0.0100	0.0100	0.0100	0.0200
Transit Fund	0.0387	0.0411	0.0411	0.0356
Solid Waste Fund	0.0585	0.0613	0.0613	0.0629
Debt Reserve Fund	0.1302	0.1302	0.1302	0.1302
Total Tax Rate	\$ 0.5912	\$ 0.5607	\$ 0.5607	\$ 0.5786
Tax Levy	\$ 152,461,238	\$ 155,711,513	\$ 155,842,725	\$ 163,205,264
Less: Uncollected Taxes	(458,298)	(1,557,115)	(1,558,427)	(1,632,053)
Estimated Collectable Levy	\$ 152,002,940	\$ 154,154,398	\$ 154,284,298	\$ 161,573,211
Less: Discounts	-	-	-	-
Estimated Collections	\$ 152,002,940	\$ 154,154,398	\$ 154,284,298	\$ 161,573,211
Appropriated to:				
General Fund	\$ 83,243,885	\$ 87,455,884	\$ 87,529,579	\$ 92,124,096
Dedicated Housing Fund	2,346,201	2,749,320	2,751,637	5,584,971
Transit Fund	9,079,799	11,299,707	11,309,229	9,941,248
Solid Waste Fund	13,721,802	16,853,334	16,867,536	17,564,734
Debt Reserve fund	30,553,734	35,796,152	35,826,316	36,358,161
*one cent equals	\$ 2,571,092	\$ 2,749,320	\$ 2,751,637	\$ 2,792,485

The FY 2017-2018 proposed tax rate is 57.86 cents per \$100 of assessed value. The proposed property tax rate of 57.86 cents per \$100 for FY2017-18 represents a 1.79 cent increase from the FY16-17 property tax rate, and is the product of the tax rate and the assessed valuation divided by 100. The budget for current property taxes is based on the amount of estimated property tax collections. The tax levy is adjusted for an assumed amount of uncollected taxes. By state law, the City must account for uncollected taxes at the level of uncollected taxes projected at June 30. For FY 2017-18 the amount of uncollected taxes is equal to 1% of the tax levy. Tax bills are sent as soon as practical after July 1 and are considered delinquent on January 5.

## FUND BALANCE

### Why is the level of Fund Balance important to the City?

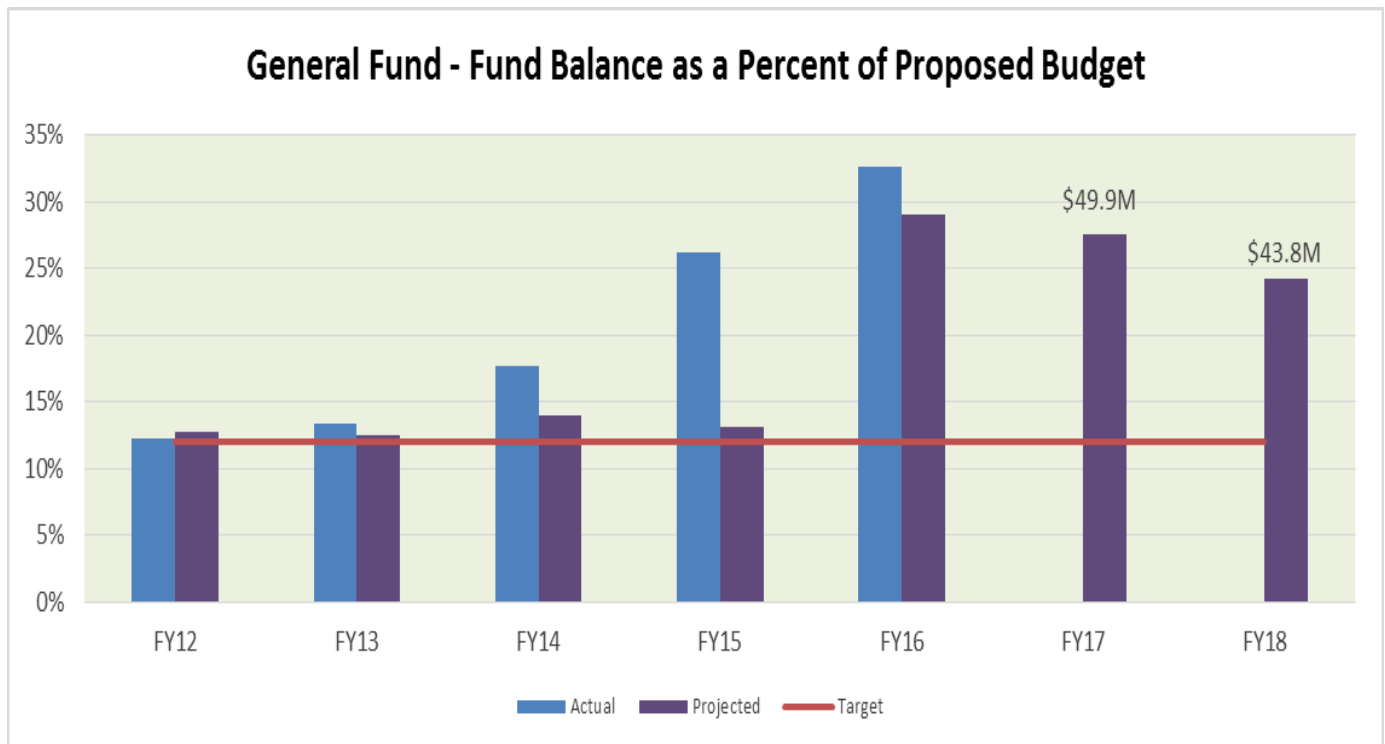
It is important to maintain fund balance in the major operating funds at a level that would be sufficient to provide a financial cushion in the event of unanticipated events, such as a loss or major reduction of a revenue source, a sudden economic downturn, or natural disasters.

For the General Fund, the North Carolina Local Government Commission (NCLGC) strongly recommends an unreserved fund balance of 8% of prior year's total budget appropriations. The NCLGC defines fund balance in a prescribed manner that is not exactly the same as the CAFR unrestricted fund balance. The City calculates fund balance on the total of the General Fund next year budget appropriation, minus appropriations for debt service and transfers to other funds. The two calculations are, therefore, not directly comparable. Bond rating agencies regard the level of fund balance in the General Fund as one indicator of credit worthiness when considering bond ratings.

For FY 2016-17 the adopted fund balance of 27.61% is a result of estimations of general fund budgets being returned to fund balance. The actual Undesignated Fund Balance will be determined following the annual audit of revenues and expenditures for FY 2015-16. The City does not have a Fund Balance policy for the Enterprise and Special Revenue Funds; however financial prudence dictates that these funds should also maintain a reasonable level of Net Cash Assets to cover unanticipated costs.

### Estimated Change In Unrestricted Fund Balance – General Fund

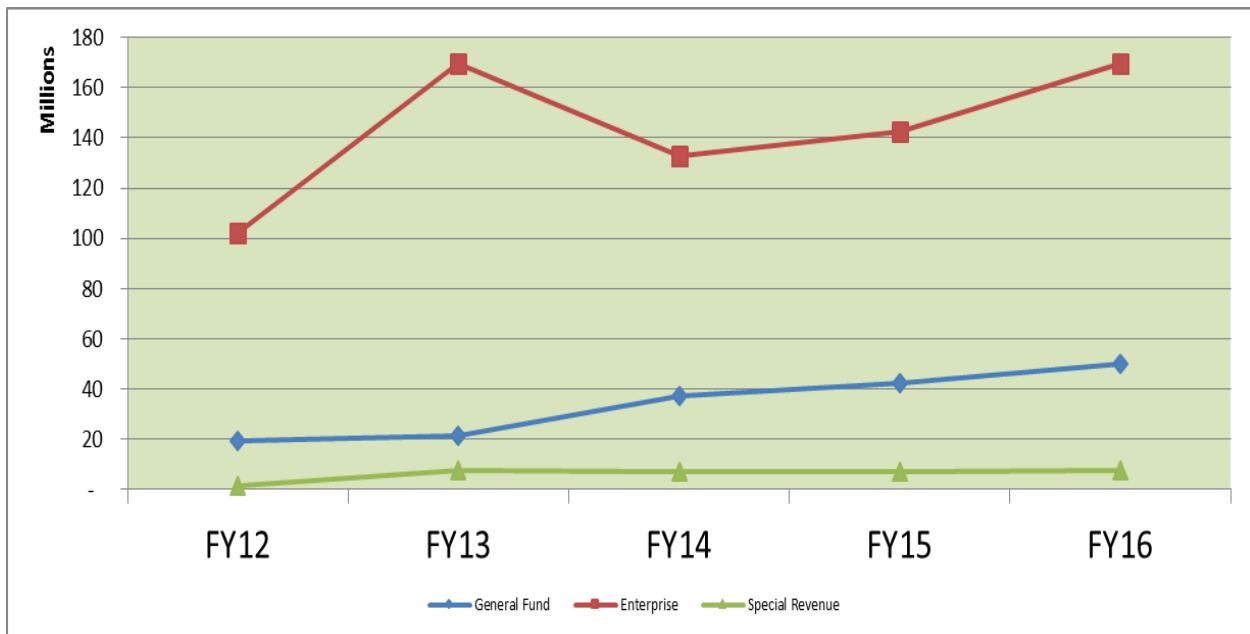
	Fund Balance Amount	Percent of Adjusted Appropriations
Total unrestricted fund balance available for appropriation at June 30, 2016	\$ 54,417,743	
Minus: appropriation from Fund Balance for projected expenditures	(9,100,000)	
Add: Encumbered Funds Released	4,600,000	
Total unrestricted fund balance at June 30, 2017	<u>\$ 49,917,743</u>	27.61%



## Estimated Changes in Fund Balance – Appropriated Funds

	General Fund Unrestricted	Enterprise Funds (*)	Special Revenue Funds (*)
Estimated Beginning Balance FY 17	\$ 49,917,743	\$ 169,364,990	\$ 7,790,469
Budget Revenues FY 18	183,311,687	167,116,711	13,356,345
Budgeted Expenditures FY 18	(180,752,721)	(129,653,203)	(13,237,865)
Transfers In	-	2,973,277	523,652
Transfers Out	(8,659,883)	(40,436,785)	(1,310,850)
Estimated Ending Balance FY 18	<u>\$ 43,816,827</u>	<u>\$ 169,364,990</u>	<u>\$ 7,121,751</u>
Percent of Adjusted Appropriations	24.24%	151%	73%

## Historical Fund Balance



(\*) Note: Transfers to specific capital project funds will impact the fund balance of Enterprise and Special Revenue Funds. Enterprise fund balance is not inclusive of enterprise funds in capital project accounts.

## SUMMARY OF AUTHORIZED POSITIONS BY DEPARTMENT (All Funds)

Department	Actual FY 2015-16		Adopted FY 2016-17		Estimated FY 2016-17		Proposed FY2017-18		Change	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
<b>Governance</b>										
City Council	-	7	-	7	-	7	-	7	-	-
City Attorney	11	1	11	1	11	1	11	1	-	-
City Clerk	7	-	7	-	7	-	7	-	-	-
City Manager	33	-	33	-	33	-	34	-	1	-
<b>Subtotal Governance</b>	<b>51</b>	<b>8</b>	<b>51</b>	<b>8</b>	<b>51</b>	<b>8</b>	<b>52</b>	<b>8</b>	<b>1</b>	<b>-</b>
<b>Administrative and Support</b>										
Audit Services	5	-	5	-	5	-	5	-	-	-
Budget & Management Services	12	1	11	1	11	1	11	1	-	-
Equal Opportunity and Equity Assurance	5	1	6	-	6	-	6	-	-	-
Finance	47	-	43	-	43	-	40	-	(3)	-
Human Resources	22	1	23	1	23	1	23	2	-	1
Technology Solutions	40	-	40	-	40	-	41	-	1	-
<b>Subtotal Administrative and Support</b>	<b>131</b>	<b>3</b>	<b>128</b>	<b>2</b>	<b>128</b>	<b>2</b>	<b>126</b>	<b>3</b>	<b>(2)</b>	<b>1</b>
<b>Community Building</b>										
City/County Inspections	46	3	46	3	46	3	50	3	4	-
City/County Planning	38	-	43	-	43	-	43	-	-	-
Community Development	22	-	22	-	22	-	23	-	1	-
Economic Development	17	2	17	2	17	2	17	2	-	-
Neighborhood Improvement	44	-	44	-	44	-	44	-	-	-
<b>Subtotal Community Building</b>	<b>167</b>	<b>5</b>	<b>172</b>	<b>5</b>	<b>172</b>	<b>5</b>	<b>177</b>	<b>5</b>	<b>5</b>	<b>-</b>
<b>Public Safety</b>										
Communications	82	-	88	-	88	-	88	-	-	-
Fire	316	-	318	-	318	-	348	-	30	-
Police	615	-	656	-	672	-	672	-	16	-
<b>Subtotal Public Safety</b>	<b>1,013</b>	<b>-</b>	<b>1,062</b>	<b>-</b>	<b>1,078</b>	<b>-</b>	<b>1,108</b>	<b>-</b>	<b>46</b>	<b>-</b>
<b>Public Services</b>										
Fleet	53	-	45	-	45	-	45	-	-	-
General Services	124	-	121	-	121	-	122	-	1	-
Parks and Recreation	110	82	116	82	116	82	121	78	5	(4)
Public Works	213	1	217	1	217	1	220	-	3	(1)
Solid Waste Management	109	-	109	-	109	-	111	-	2	-
Transportation	60	3	60	3	60	3	62	3	2	-
Water Management	333	2	336	2	336	2	342	2	6	-
<b>Subtotal Public Services</b>	<b>1,002</b>	<b>88</b>	<b>1,004</b>	<b>88</b>	<b>1,004</b>	<b>88</b>	<b>1,023</b>	<b>83</b>	<b>19</b>	<b>(5)</b>
<b>Total All Departments</b>	<b>2,364.0</b>	<b>104.0</b>	<b>2,417.0</b>	<b>103.0</b>	<b>2,433.0</b>	<b>103.0</b>	<b>2,486.0</b>	<b>99.0</b>	<b>69.0</b>	<b>(4.0)</b>
<b>Population Estimates</b>	<b>253,636</b>		<b>253,636</b>		<b>259,849</b>		<b>262,447</b>			
<b>Employees Per 1,000</b>	<b>9.3</b>		<b>9.5</b>		<b>9.4</b>		<b>9.5</b>			



## SUMMARY OF AUTHORIZED POSITIONS BY FUND

Function	Actual		Adopted		Estimated		Proposed		Change	
	FY 2015-16		FY 2016-17		FY 2014-15		FY2017-18		FT	PT
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
<b><u>General Fund</u></b>										
Governance	51.0	8.0	51.0	8.0	51.0	8.0	52.0	8.0	1.0	-
Administrative and Support	121.0	3.0	118.0	2.0	118.0	2.0	118.0	3.0	-	1.0
Community Building	102.0	1.0	107.5	1.0	107.5	1.0	108.0	1.0	0.5	-
Public Safety	1,013.0	-	1,062.0	-	1,062.0	-	1,092.0	-	30.0	-
Public Services	416.4	83.0	414.4	83.0	414.4	83.0	425.4	78.0	11.0	(5.0)
<b>Total General Fund</b>	<b>1,703.4</b>	<b>95.0</b>	<b>1,752.9</b>	<b>94.0</b>	<b>1,752.9</b>	<b>94.0</b>	<b>1,795.4</b>	<b>90.0</b>	<b>42.5</b>	<b>(4.0)</b>
<b><u>Enterprise Funds</u></b>										
<b><u>Water &amp; Sewer Fund</u></b>										
Finance	4.0	-	4.0	-	4.0	-	1.0	-	(3.0)	-
Water Management	332.5	2.0	335.5	2.0	335.5	2.0	341.5	2.0	6.0	-
Public Works	36.6	-	36.6	-	36.6	-	36.6	-	-	-
<b>Subtotal Water &amp; Sewer Fund</b>	<b>373.1</b>	<b>2.0</b>	<b>376.1</b>	<b>2.0</b>	<b>376.1</b>	<b>2.0</b>	<b>379.1</b>	<b>2.0</b>	<b>3.0</b>	<b>-</b>
<b><u>Solid Waste Disposal Fund</u></b>										
Water Management	0.5	-	0.5	-	0.5	-	0.5	-	-	-
Solid Waste Management	109.0	-	109.0	-	109.0	-	111.0	-	2.0	-
<b>Subtotal Solid Waste Fund</b>	<b>109.5</b>	<b>-</b>	<b>109.5</b>	<b>-</b>	<b>109.5</b>	<b>-</b>	<b>111.5</b>	<b>-</b>	<b>2.0</b>	<b>-</b>
<b><u>Stormwater Fund</u></b>										
Public Works	94.5	1.0	94.5	1.0	94.5	1.0	94.5	1.0	-	-
<b><u>Parking Facilities Fund</u></b>										
Transportation	1.0	-	2.0	-	2.0	-	2.0	-	-	-
<b><u>Transit Fund</u></b>										
Transportation	2.0	-	2.0		2.0		2.0		-	-
<b><u>Ballpark Fund</u></b>										
General Services	-	-	-	-	-	-	-	-	-	-
<b>Total Enterprise Funds</b>	<b>580.1</b>	<b>3.0</b>	<b>584.1</b>	<b>3.0</b>	<b>584.1</b>	<b>3.0</b>	<b>589.1</b>	<b>3.0</b>	<b>5.0</b>	<b>-</b>
<b><u>Special Revenue, Grants and Internal Service Funds</u></b>										
Economic and Workforce Development	7.0	1.0	6.5	1.0	6.5	1.0	7.0	1.0	0.5	-
Police	-	-	-	-	16.0	-	16.0	-	16.0	-
Inspections	46	3	46	3	46	3	50	3	4.0	-
Planning	1	-	1	-	1	-	1	-	-	-
Transportation	9.5	2.0	9.5	2.0	9.5	2.0	9.5	2.0	-	-
Community Development	7.0	-	7.0	-	7.0	-	7.0	-	-	-
Neighborhood Improvement Services	4.0	-	4.0	-	4.0	-	4.0	-	-	-
Employee Insurance	1.0	-	1.0	-	1.0	-	1.0	-	-	-
Risk	5.0	-	5.0	-	5.0	-	6.0	-	1.0	-
<b>Total Special Revenue, Grants and Internal Service Funds</b>	<b>80.5</b>	<b>6.0</b>	<b>80.0</b>	<b>6.0</b>	<b>96.0</b>	<b>6.0</b>	<b>101.5</b>	<b>6.0</b>	<b>21.5</b>	<b>-</b>
<b>Total All Funds</b>	<b>2,364.0</b>	<b>104.0</b>	<b>2,417.0</b>	<b>103.0</b>	<b>2,433.0</b>	<b>103.0</b>	<b>2,486.0</b>	<b>99.0</b>	<b>69.0</b>	<b>(4.0)</b>

## FUND SUMMARIES

This section provides summaries of the revenues and appropriations for each of the operating funds included in the FY 2016-17 Budget. In addition, detailed information is provided on revenue sources and non-departmental appropriations.

- **General Fund** - the general operating fund of the City. It is used to account for all financial resources except those to be accounted for in another fund.
- **Debt Service Fund** – accounts for General Fund related debt service.
- **Enterprise Funds** – are established to account for revenues resulting from charges for services provided to the general public and the related costs of such services. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for Enterprise Funds, the City does adopt balanced budgets for these funds.

These funds include:

- Water and Sewer Fund
- Solid Waste Fund
- Stormwater Management Fund
- Transit Fund
- Parking Facilities Fund
- Ballpark Fund
- Durham Performing Arts Center Fund

- **Fiduciary Funds** – are used to account for assets held by the City in a fiduciary capacity as trustee or agent.

These funds include:

- Law Enforcement Officers' Separation Allowance Fund
- Cemetery Fund
- Other Post Employment Benefits Fund

- **Special Revenue Funds** – are used to finance particular activities from the receipts of specific taxes or other revenue. Such a fund is legally created to provide for certain activities with special purpose or restricted revenues.

These funds include:

- Business Improvement District Fund
- Dedicated Housing Fund
- Emergency Telephone System Surcharge Fund
- Inspections Fund

- **Capital Projects Funds** – are used to account for capital projects, including major municipal buildings, public improvement projects, major repairs, and capital equipment needs.

These funds include:

- General Capital Projects Fund – Provided by separate ordinance in standalone budget document.
- Impact Fee Fund
- Water and Sewer Capital Facilities Fees Fund
- Watershed Protection Fund

- **Internal Service Funds** – are used to account for the financing of goods and services provided by one department to others within the government on a cost-reimbursement basis. Please refer to sections IV (Budget Summaries) for information on Internal Service Funds. These funds include:

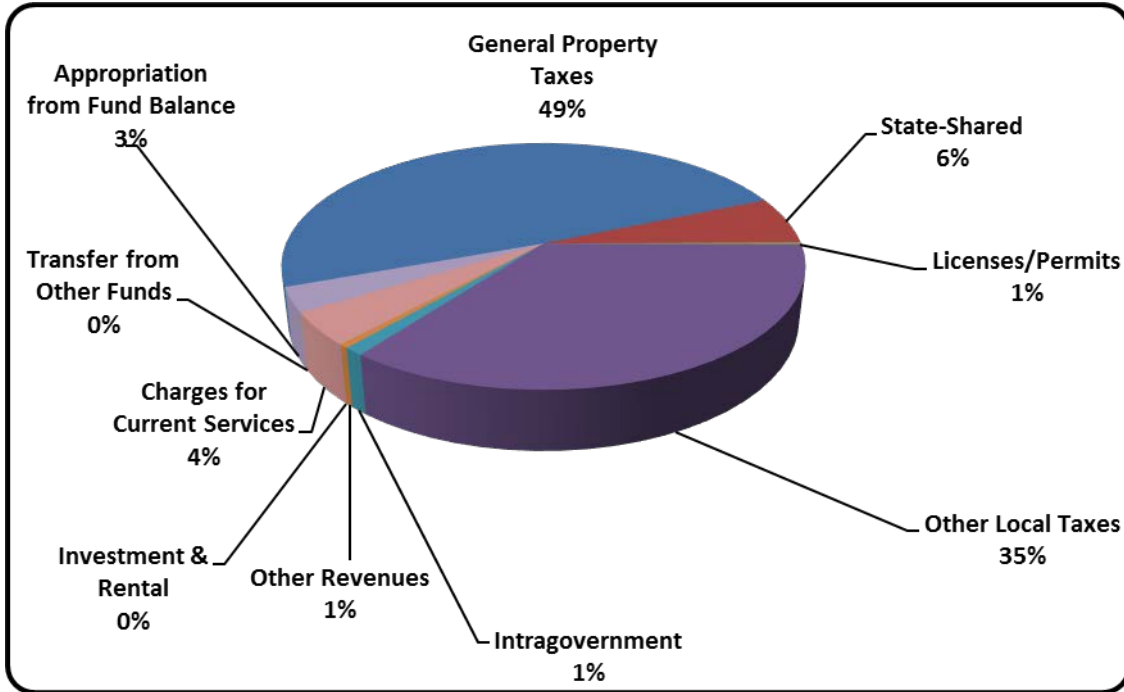
- Risk Reduction Fund
- Employee Insurance Fund

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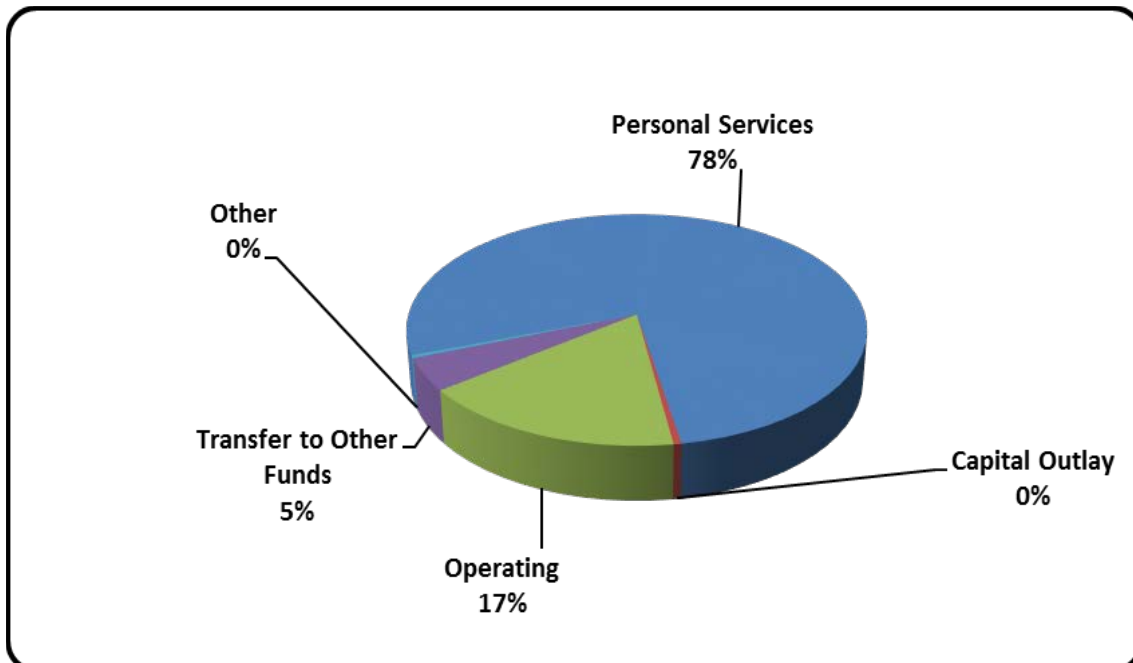
## GENERAL FUND SUMMARY

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### Revenues



### Appropriations

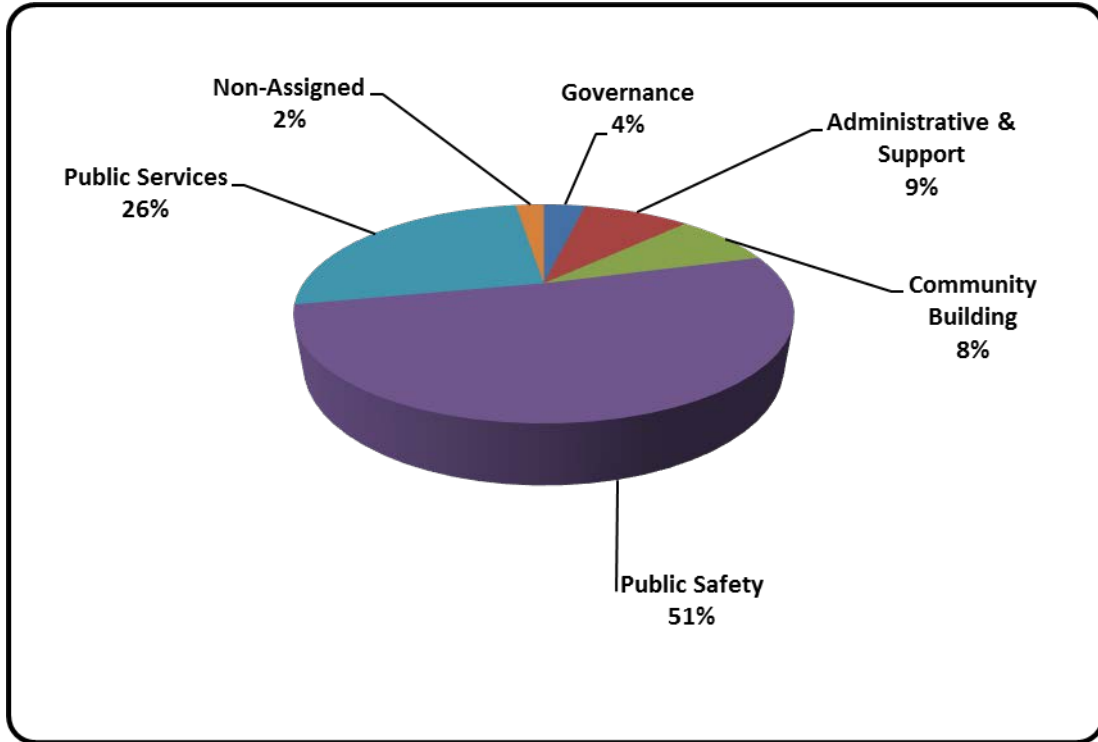


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## GENERAL FUND SUMMARY

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### Appropriations by Function



## GENERAL FUND SUMMARY

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
General Property Taxes	\$ 90,380,805	\$ 88,713,260	\$ 91,110,579	\$ 93,184,096	5.0%
Other Local Taxes	62,973,917	61,367,263	63,305,221	66,766,579	8.8%
State-Shared Revenues	11,664,519	12,008,581	11,632,290	11,742,340	-2.2%
Licenses and Permits	1,077,982	1,382,704	1,323,860	506,000	-63.4%
Investment/Rental Income	113,014	126,272	161,900	114,677	-9.2%
Charges for Current Services	7,398,751	7,569,473	8,013,895	8,037,822	6.2%
Intragovernmental Services	2,028,437	1,857,628	2,012,582	2,007,073	8.0%
Other Revenues	1,056,458	941,600	1,057,981	953,100	1.2%
Transfer from Other Funds	1,186,750	-	-	-	0.0%
Approp From Fund Balance	-	7,673,565	8,048,987	6,100,917	-20.5%
<b>Total Revenues</b>	<b>\$ 177,880,633</b>	<b>\$ 181,640,346</b>	<b>\$ 186,667,295</b>	<b>\$ 189,412,604</b>	<b>4.3%</b>
<b>Appropriations</b>					
Personal Services	\$ 128,470,791	\$ 140,467,916	\$ 136,808,342	\$ 147,410,931	4.9%
Operating	30,536,026	34,177,541	38,668,194	31,695,919	-7.3%
Capital Outlay	520,547	872,990	3,158,931	923,336	5.8%
Other	807,469	969,043	566,535	722,535	-25.4%
Transfers to Other Funds	4,920,233	5,152,856	7,465,293	8,659,883	68.1%
Transfers to Fund Balance	12,625,567	-	-	-	0.0%
<b>Total Appropriations</b>	<b>\$ 177,880,633</b>	<b>\$ 181,640,346</b>	<b>\$ 186,667,295</b>	<b>\$ 189,412,604</b>	<b>4.3%</b>
<b>Appropriations by Function</b>					
Governance	\$ 6,570,024	\$ 6,395,356	\$ 6,663,567	\$ 7,203,570	12.6%
Administrative and Support	15,164,490	16,258,954	17,211,043	16,974,286	4.4%
Community Building	13,256,126	14,818,666	16,328,745	15,120,127	2.0%
Public Safety	92,878,655	93,008,429	93,638,822	97,158,625	4.5%
Public Services	45,345,147	46,835,968	48,328,373	46,050,970	-1.7%
Non-assigned	4,666,191	4,322,973	4,496,745	6,905,026	59.7%
<b>Total Appropriations</b>	<b>\$ 177,880,633</b>	<b>\$ 181,640,346</b>	<b>\$ 186,667,295</b>	<b>\$ 189,412,604</b>	<b>4.3%</b>

The General Fund is the major operating fund of the City. It is used to account for all financial resources not accounted for in another fund.

Revenues in the general fund fall into two categories:

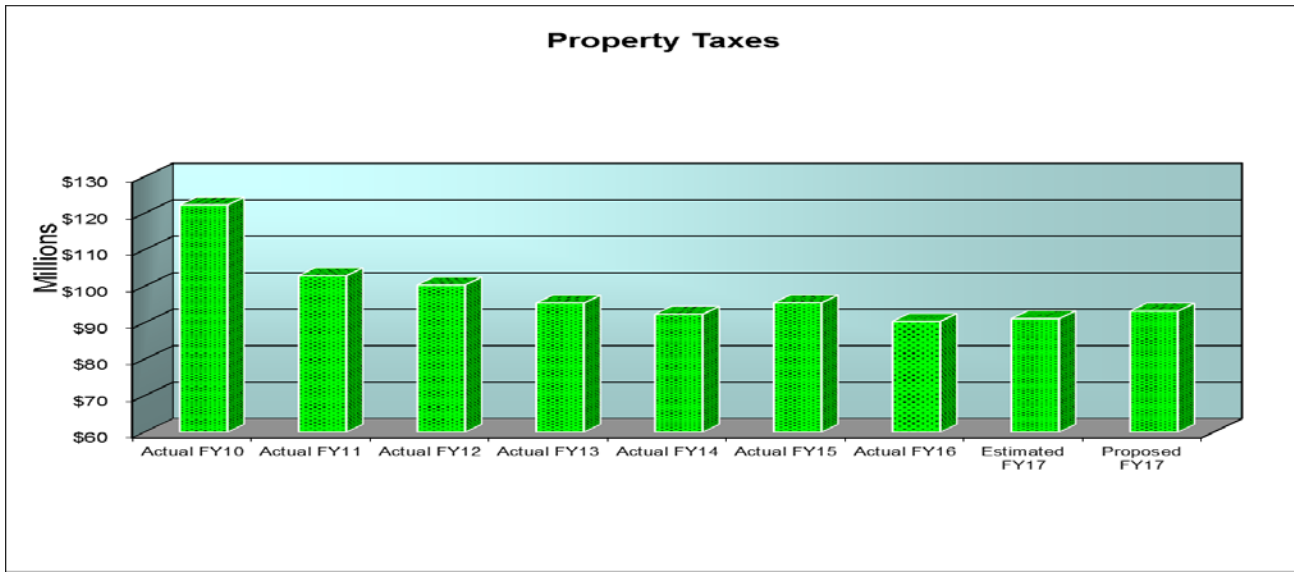
- **Discretionary** – Revenues that are not derived from or dependent upon direct activity from a single department. Examples include property tax and state shared revenues.
- **Program** – Those revenues that are derived from or dependent upon direct activity from a single department. Examples include user fees, building inspection permits, or grants for a specific activity.

## General Fund – Discretionary Revenues

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>General Property Taxes</b>					
Current Levy	\$ 89,197,522	\$ 87,455,884	\$ 90,070,579	\$ 92,124,096	5.3%
Prior Years Levy	637,642	800,000	650,000	650,000	-18.8%
Interest & Penalties	545,641	457,376	390,000	410,000	-10.4%
<b>Subtotal</b>	<b>\$ 90,380,805</b>	<b>\$ 88,713,260</b>	<b>\$ 91,110,579</b>	<b>\$ 93,184,096</b>	<b>5.0%</b>
<b>Other Local Taxes</b>					
Local Option Sales Tax	\$ 56,943,901	\$ 58,614,481	\$ 57,041,254	\$ 60,283,660	2.8%
Heavy Equipment	83,433	85,000	100,000	85,000	0.0%
Rental Car Gross Receipts	281,744	228,915	250,000	228,915	0.0%
Hotel/Motel Occupancy Tax	2,388,153	2,438,867	2,499,660	2,609,588	7.0%
<b>Subtotal</b>	<b>\$ 59,697,231</b>	<b>\$ 61,367,263</b>	<b>\$ 59,890,914</b>	<b>\$ 63,207,163</b>	<b>3.0%</b>
<b>Licenses</b>					
Business & Professional Licenses	\$ 11,673	\$ 18,000	\$ 18,000	\$ 18,000	0.0%
<b>Subtotal</b>	<b>\$ 11,673</b>	<b>\$ 18,000</b>	<b>\$ 18,000</b>	<b>\$ 18,000</b>	<b>0.0%</b>
<b>Intergovernmental Revenues</b>					
Utility Franchise Tax	\$ 4,018,068	\$ 4,488,000	\$ 3,985,855	\$ 4,065,572	-9.4%
Gasoline Tax (Powell Bill)	6,173,473	6,133,143	6,223,354	6,285,588	2.5%
Beer & Wine Tax	1,073,841	1,163,902	1,163,902	1,187,180	2.0%
Alcoholic Beverage Control	222,200	200,000	170,000	204,000	2.0%
<b>Subtotal</b>	<b>\$ 11,487,582</b>	<b>\$ 11,985,045</b>	<b>\$ 11,543,111</b>	<b>\$ 11,742,340</b>	<b>-2.0%</b>
<b>Other Major Revenue</b>					
Sale Of Surplus Equipment	\$ 439,281	\$ 700,000	\$ 700,000	\$ 700,000	0.0%
Street Assessments	21,595	25,000	20,000	25,000	0.0%
<b>Subtotal</b>	<b>\$ 460,876</b>	<b>\$ 725,000</b>	<b>\$ 720,000</b>	<b>\$ 725,000</b>	<b>0.0%</b>
<b>Appropriations From Fund Balance</b>	<b>\$ -</b>	<b>\$ 7,673,565</b>	<b>\$ -</b>	<b>\$ 6,100,917</b>	<b>-20.5%</b>
<b>Total Revenues</b>	<b>\$ 162,038,167</b>	<b>\$ 170,482,133</b>	<b>\$ 163,282,604</b>	<b>\$ 174,977,516</b>	<b>2.6%</b>

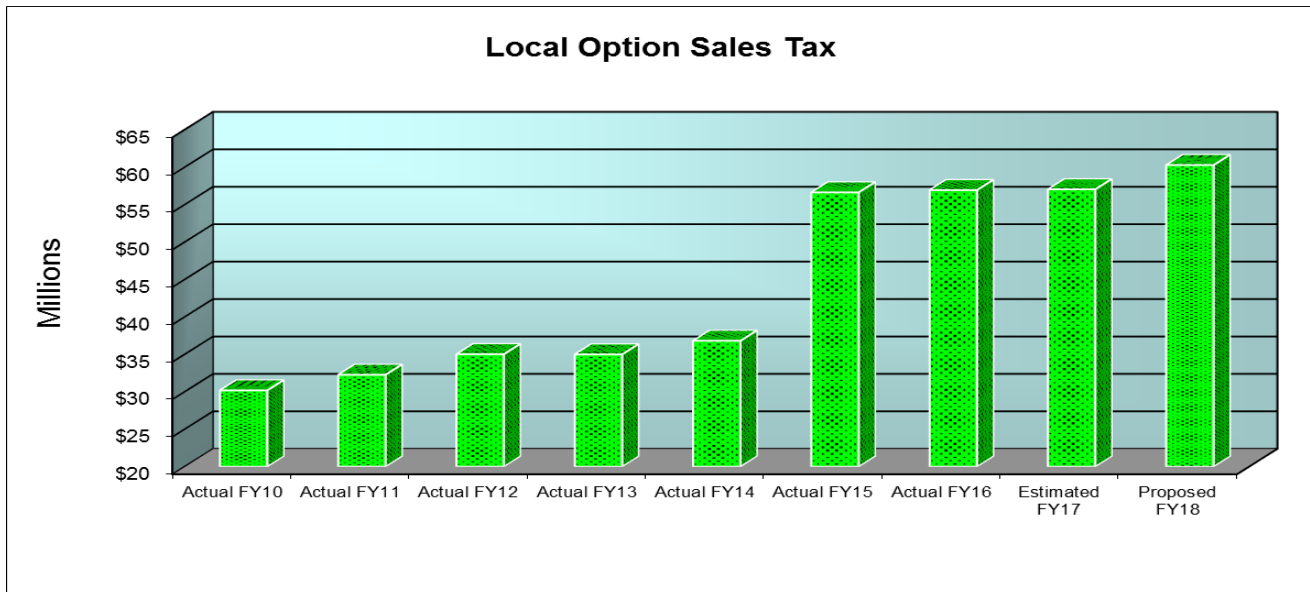
## General Fund – Discretionary Revenues

### GENERAL PROPERTY TAXES



The FY2017-18 budget proposes a tax rate of 57.86 cents per \$100 of assessed valuation, an increase of 1.79 cents from the FY2016-17 rate of 56.07 cents. This chart shows the portion of the rate dedicated to the General Fund. The property tax rate is established annually during the budget process. The City's property tax is levied based on 100% of the assessed value of property from the previous January 1 as determined by the Durham County Tax Administrator, the office that bills and collects property tax. Please refer to Section IV - Budget Summaries for tax base information.

### OTHER LOCAL TAXES



Sales Tax - Sales tax is levied on the sale, lease or rental of all taxable goods and services within Durham County. Purchasers of these goods and services pay the tax. Sales tax is collected by businesses at the time of the sale and then paid periodically to the North Carolina Department of Revenue, Sales and Use Tax Division. The Department of Revenue then remits that portion due to the County and all municipalities in the County based on a *per capita* formula.

The 2009 North Carolina General Assembly passed legislation that provided for a temporary additional 1% State sales tax effective September 1, 2009 which expired in 2011. An additional 0.25% Local Sales Tax was approved by referendum for education in November 2011. Authority for an additional 0.50% Local Sales Tax was also approved by referendum for Transit, and began collections on April 1<sup>st</sup>, 2013. The sales tax rate of 7.50 cents per dollar is on all retail sales except food purchases to be consumed at home, which are taxed at 2.0 cents per dollar. The 2014 North Carolina General Assembly enacted significant changes to sales tax statutes, expanding the items for which sales tax is levied. The State retains 4.25 cents for retail (0.00 cents in the case of food sales) and returns on average 2.5 cents to local governments. The sales tax is an important revenue source for the City, representing nearly 35% of the projected General Fund revenues for FY 2017-18..

The State's elimination of the electrical and gas franchise tax, replacing it with sales tax, contributed to the large increase in sales tax revenues from FY 2013-14 to FY 2015-16. According to fiscal analysts at the General Assembly, sales tax revenues for FY 2016-17 are projected to increase to 3.5% above the FY 2015-2016 budget. Cities and Counties must adjust this estimate based on local conditions. In the past the projections were applied to Article 40 and Article 42 taxes and a portion of Article 44. The elimination of the *per capita* portion of Article 44, the conversion of Article 42 to a point of sale distribution, and its replacement by the new municipal hold harmless payment makes the projection only applicable to Article 39 and Article 40 taxes. The City of Durham and Durham County have an interlocal agreement. Durham is projecting a 2.8% increase in FY 2017-18 based on the interlocal with Durham County, and growth in gas and electric sales tax revenue. Sales tax continues to be distributed by the state on a *per capita* basis between the County of Durham and the City of Durham. The current distribution ratio is 42% for the City and 58% for the County. This current agreement will remain in effect for five years from July 1, 2013 through June 30<sup>th</sup>, 2018.

Hotel/Motel Tax - A tax of 6% is levied on hotel/motel rentals in Durham County as authorized by the General Assembly in the 2001 session. Of the first 5%, the City receives 25.5%, Durham County receives 34.5%, and the Durham Convention and Visitors Bureau receives 40%. The last 1% is for the Durham Performing Arts Center. The FY 2017-18 budget projects Occupancy tax to be 7% higher than the FY 2016-17 budget, based on current economic conditions and projections on hotel usage from the Durham Convention and Visitors Bureau (DCVB).

## **LICENSES AND PERMITS**

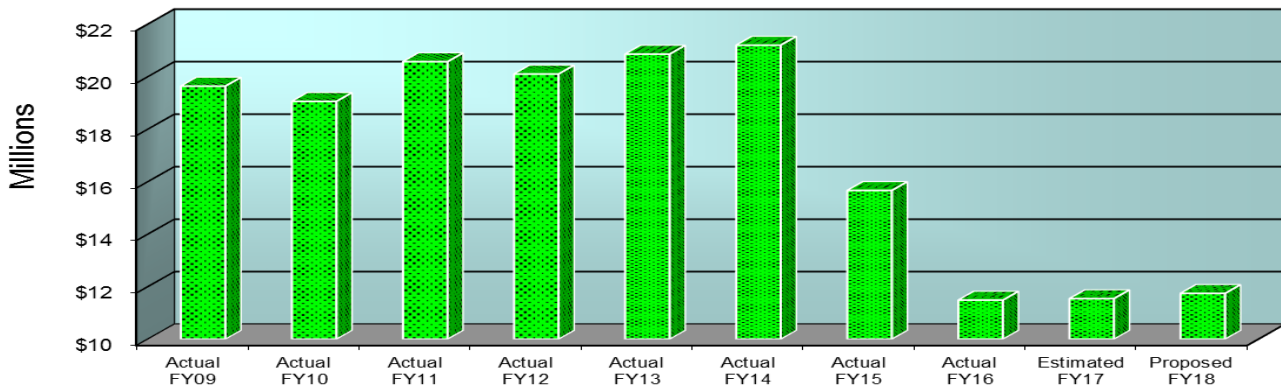
Business Licenses - Businesses were assessed a fee for the privilege of doing business in the City. The North Carolina General Assembly abolished the ability for cities to charge this fee. The FY 2017-18 budget receives a small amount from beer and wine licenses.

## **INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue consists of revenue received by the City from federal, state, and county government in the form of grants, shared revenues or reimbursements. Charges to other governments for services rendered, such as for interlocal agreements, are not included in this category.



## State Shared Revenues



### State Shared Revenues

- ❖ **Utility Franchise Tax** – In its 2014 session, the General Assembly replaced the utility franchise tax on gas and electric to a sales tax. Fiscal Year 2014-15 marked the first year of a new distribution method for both of these revenue sources. As of the current fiscal year, the general sales tax rate was applied to the sale of both electricity and natural gas, and a percentage of the proceeds were to be returned to cities and towns. In the case of electricity, that percentage is 44 percent. That number was chosen with the intention that every municipality could receive the same amount of electricity franchise tax revenues that they received in Fiscal Year 2013-14. Given actuals received this fiscal year, the city projects a decrease of 9.4% for Fiscal Year 2017-18.
- ❖ **Gasoline Tax (Powell Bill)** - The revenue generated from Powell Bill collections is used to support the maintenance of non-state system streets. The City's share is based on population (75%) and local street mileage (25%) relative to those of other municipalities. For FY 2017-18, the City projects an increase of 2.5% in Powell Bill revenue.. The State Highway Trust Fund is used to supplement the State Highway Fund in the funding of the Powell Bill distribution. This projection assumes that the proportion of City street miles and population before annexation to street miles and populations of other municipalities remains constant.
- ❖ **Beer and Wine Tax** - The tax on malt beverages and unfortified wines is paid by the final purchaser and administered by the State. Taxes are distributed to entitled municipalities according to population. For FY 2017-18 the City projects a 2.0% increase compared to FY 2016-17.
- ❖ **Alcoholic Beverage Control Tax** - The City receives 10% of the profit from ABC operations in the County. The FY 2017-18 budget projects this revenue will increase by 2.0% as compared to FY 2016-17.

### **INVESTMENT**

Investment Income - Revenues into the General Fund do not occur evenly over the fiscal year. Most property tax, for example, is collected during December and January of each year. The Finance Director is authorized to invest these funds in short-term investments. The resulting interest accrued on the invested funds is considered interest revenue for the City.

By resolution of the City Council, all investment income derived from the General Fund is transferred to the Capital Projects Fund. For FY 2017-18 it is proposed that all investment income derived from the General Fund, be added directly to the Capital Improvement Plan (CIP) budget.

## **OTHER MAJOR REVENUE**

This category is used to record those revenues that are miscellaneous in nature.

Sale of Surplus Equipment - Annually the City auctions surplus equipment. The FY 2017-18 budget projects that revenue will remain flat in sales of surplus equipment.

Street Assessments – The City bills for street assessments. The FY2017-18 budget projects that revenues will remain flat for street assessments.

## **APPROPRIATION FROM FUND BALANCE**

Revenues from prior years are often necessary to balance the budget. To the extent revenues exceed expenditures at year end (June 30, 2018) excess funds will be transferred to Fund Balance. The final year-end figure will be based on actual revenues and expenditures as determined through the City's FY 2016-17 financial audit. For FY 2017-18, there is a transfer from fund balance proposed in the amount of \$6,100,917 to fund one-time expenditures. If funds from FY 2016-17 are spent as projected, the General Fund Balance is projected to be approximately 27.61%.

## General Fund – Program Revenues

### LICENSES AND PERMITS

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#### Public Safety

##### **Fire:**

Fire Permits - This fee covers the costs associated with issuing permits for controlled fires and special event operation requirements as required by the North Carolina Fire Prevention Code.

#### Community Building

##### **City/County Planning:**

Sign Permits - Revenue generated from the issuance of sign permits.

#### Public Services

##### **Public Works:**

Street Cut Permits - Revenue from permits issued primarily for gas, electric, telephone and cable television utility right-of-way excavations.

Driveway Permits - Revenue from permits issued for cutting driveways into existing curbs.

##### **Transportation:**

Taxicab Inspection Fees - Revenue from inspecting taxicabs and shuttles for permits.

### CHARGES FOR CURRENT SERVICES

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Charges for services include user fees for recreation, police, fire, transportation, engineering, cemeteries, planning and other city services. Charges to the State and to Durham County for services that the City provides (services provided under an interlocal agreement) are also included in this category.

#### Governance

##### **City Clerk:**

Revenues from the sale of City Code supplements and copies of public records.

#### Public Safety

##### **Police:**

Officers' Fees - This revenue source is a reimbursement by the General Court of Justice for officers' service of legal process documents.

Wrecker Service Dispatch Fee - A fee is assessed against wrecker services which are registered and dispatched from the Police Department to clear accident scenes. During FY 2004-05, the City increased the fee from \$3.00 to \$10.00 per tow to cover the costs of police officers associated with this program.

##### **Fire:**

Fire Protection - State-Owned Buildings - In FY 1983-84, the State began to reimburse local governments for providing fire protection services for State-owned facilities. In FY 1997-98, the General Assembly raised the reimbursement amounts paid to cities. The General Assembly reduced the reimbursement rate for FY 2007-08 but also re-assessed the value of its property, which resulted in an increased payment. In addition, Duke University makes an annual payment to the City of Durham for fire protection services based on the same principle used by the State of North Carolina.

Fire Inspections Fees – In 1991 the State of North Carolina began mandating all municipalities conduct fire inspections in accordance with the NC Fire Code. A fee structure was established based on the type of inspection or permit required, and it was last updated in FY 2012-13. Inspection fees and permits for hazardous materials, fireworks, tents, tank removal and construction are included in this revenue.

#### Community Building

##### **Office of Economic and Workforce Development:**

Use Charges - This item includes revenues generated through rental of the Parrish Street Forum.

## Administrative and Support

### **Finance:**

Bank of America Rebate - This is the rebate offered by the Bank of America on their procurement card and ePayables programs.

Administrative Fee - This is the administrative fee charged by the Payroll Division to process wage garnishments for child support payments.

### **Technology Solutions:**

GIS Sales - Revenue generated from public map and data requests.

## Public Services

### **General Services:**

Air Lease Tower Fees – Space leased on a City-owned tower on Camden Avenue for use by cell phone companies.

Cemetery Lot Sales - Revenue from the sale of grave plots at both Beechwood and Maplewood cemeteries.

Cemetery Interment Fees - Revenue generated from burial fees at both Beechwood and Maplewood cemeteries.

Cemetery Upkeep and Design - Revenue represents the fee charged to residents who request additional maintenance at specific gravesites.

Columbarium Charges - Revenue generated from fees charged for burial niches, urns, burial plaque engraving, and miscellaneous upkeep charges.

### **Public Works:**

NCDOT Winter Weather Reimbursement – Revenue paid by the State Department of Transportation to reimburse expenses incurred to treat roadways due to winter weather.

Special Street Maintenance - Charges made to utility companies for utility cut repairs and fees paid by individuals for private street maintenance services.

Engineering Inspection Fees - Revenues included in this category are for the inspection by City staff of new street construction in private subdivisions including stormwater drainage and sidewalks. New street construction drawing review and fire flow test fees are also included.

Topographic and Other Maps - Revenue the Public Works Department receives from the sale of maps.

### **Parks and Recreation:**

Registration Fees – This category includes revenues generated from Summer Day Camp and After School programming.

Special Activities - Items in this category include entry fees for adult athletic organization leagues, gymnastics, special interest camps, road races, instructional classes, Senior Games, etc. Fees for these activities are intended to recover expenses involved for services provided. Registration rates are set to recover direct and indirect costs of each activity.

Admissions - Revenues included in this account are swimming pool fees and picnic shelter reservations.

Entry Fees - Revenues generated by entry fees for youth softball, basketball, baseball and volleyball are included here.

Use Charges - This item includes revenues generated through rental of City equipment, Lake Michie, Durham Athletic Park, West Point on the Eno, Little River Lake, the Armory, Durham Centre Plaza and the Civic Center Plaza.

### **Transportation:**

Street Signs and Markings - This revenue represents the billing to the State for maintenance of signs and markings on State system streets and highways within the city limits.

Traffic Signals - This revenue represents the billing to the State for maintenance of traffic signals on State system streets and highways within the City Limits.

Traffic Impact Analysis - Development review fees associated with the review of traffic impact.

## **INTERGOVERNMENTAL SERVICES**

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This section is used to record those revenues associated with services provided by the City to another local governmental entity or agency through interlocal agreements.

### Governance

#### **City Manager's Office:**

Durham County – Durham County pays \$8,800 each year for the airing of County programming on DTV8.

### Administrative and Support

#### **Technology Solutions:**

Durham County GIS Service - The City is responsible for coordinating and managing overall countywide GIS operations, which includes GIS software installation and maintenance, GIS databases management, technical support, customized maps and application development and training. It currently operates under an interlocal cooperation agreement effective since July 1, 1998, which was amended in December 2005 and provides service to all City and County departments. Durham County reimburses the City 50% of the GIS operation cost each year, after offsetting revenue received for GIS data sales. The department began providing mapping and data distribution services to the public in 1999. The fees are based on two policies. The GIS data access and distribution policy went into effect on July 1<sup>st</sup>, 1999 and the GIS data distribution policy for commercial use was adopted by the City Council on August 7<sup>th</sup>, 2000.

Durham County Open Data Service—The City is responsible for the management and publishing of data sets for the City-County Open Data project. Durham County reimburses the City 50% of Open Data operating costs, which includes web hosting software and contracted staff.

### Community Building

#### **City / County Planning:**

Planning Fees - Revenue in this category includes fees for reviewing proposed development plans, annexations, zoning change requests, site plan compliance, flood plain, and variances and use permits.

Durham County Planning Services – Under an interlocal agreement, Durham County reimburses the City for its share of joint City/County Planning services. Since FY 1999-00, the City and County have each assumed 50% of the Planning budget net of Planning fees unless one entity elects to solely fund a position. In FY 2014-15, the City and County are each projected to fund 50% of the Planning budget with no positions solely funded by either entity. However, the interlocal agreement is scheduled for re-adoption during the course of the upcoming fiscal year and there continues to be discussion whether the funding split needs to be restructured.

### Public Protection

#### **Emergency Communications:**

Communications Services - This item represents the reimbursement by Durham County for the costs associated with dispatching County volunteer fire departments and ambulances and receiving 911 calls for the Sheriff's Department. The County assumes 21% of the Communications Center budget in accordance with an interlocal agreement.

Radio Maintenance Charges - This item represents fees for servicing radios outside of the City owned radios for Durham County and North Carolina Central University.

### Public Services

#### **General Services:**

Durham County – Durham County provides \$16,000 of financial support to the Keep Durham Beautiful program.

#### **Fleet Management:**

Durham County – Durham County provides \$12,000 for the repair of county fire trucks.

**Transportation:**

Durham County – Durham County pays for 12.5% of the Bicycle and Pedestrian Coordinator's personnel costs to cover support of the Bicycle and Pedestrian Advisory Committee (BPAC).

## General Fund – Non-Departmental Appropriations

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Personal Services</b>					
Severance Payments	\$ 7,680	\$ 25,000	\$ 25,000	\$ 25,000	0.0%
Other Employee Benefits	-	2,297,787	1,738,769	3,021,620	31.5%
Health Insurance - Retirees	3,204,857	3,236,222	3,236,222	3,678,593	13.7%
<b>Subtotal</b>	<b>\$ 3,212,537</b>	<b>\$ 5,559,009</b>	<b>\$ 4,999,991</b>	<b>\$ 6,725,213</b>	<b>21.0%</b>
<b>Operating</b>					
Risk Management Charges	\$ 3,291,717	\$ 3,286,656	\$ 3,286,656	\$ 2,427,682	-26.1%
Donations	-	40,000	34,300	40,000	0.0%
Indirect Cost Reimbursements	(8,808,844)	(9,587,692)	(9,587,692)	(10,446,148)	9.0%
Other Operating Costs / Savings	-	200,000	-	21,583	-89.2%
<b>Subtotal</b>	<b>\$ (5,517,127)</b>	<b>\$ (6,061,036)</b>	<b>\$ (6,266,736)</b>	<b>\$ (7,956,883)</b>	<b>31.3%</b>
<b>Transfer to Other Funds</b>					
Transfer to Water and Sewer Fund	\$ 276,982	\$ -	\$ -	\$ -	0.0%
Transfer to BID	250,000	250,000	250,000	250,000	0.0%
Transfer to Capital Projects Fund	4,008,476	4,575,000	6,008,451	7,886,696	72.4%
Transfers Other	-	-	805,430	-	0.0%
<b>Subtotal</b>	<b>\$ 4,535,458</b>	<b>\$ 4,825,000</b>	<b>\$ 7,063,881</b>	<b>\$ 8,136,696</b>	<b>68.6%</b>
<b>Total Nondepartmental</b>	<b>\$ 2,230,868</b>	<b>\$ 4,322,973</b>	<b>\$ 5,797,136</b>	<b>\$ 6,905,026</b>	<b>59.7%</b>

### PERSONAL SERVICES

Severance Payments - Covers severance payments to employees impacted by reduction in workforce.

Other Employee Benefits – This is primarily used to put placeholders in for expected benefit changes and pay for performance increases for the upcoming year.

Health Insurance-Retirees - Pays for the City's share of health insurance for eligible retirees.

### OPERATING

Risk Management Fund Charges - Premium to recoup a proportionate share of expected liability and workers' compensation claims obligations is included here.

Donations – Reserve for small miscellaneous donations.

Indirect Cost Reimbursements - Financial policy prescribes budgeting indirect cost reimbursements from other funds as contra-expenses on a city wide basis.

Other Operating Costs / Savings – Appropriations reserved for the Transformation in Ten Initiative in FY2016-17 and an adjustment for the ½ penny for parks maintenance funding in FY2017-18.

### TRANSFERS TO OTHER FUNDS

Transfer to the Water & Sewer Fund – Transfer to repay financing for an IT Infrastructure capital project.

Transfer to BID – Transfer to the Business Improvement District Fund for contractual services.

Transfer to Capital Projects Fund – Transfers related to capital expenditures for street maintenance and police vehicles.

Transfer Other – Transfer to the Dedicated Housing Fund to provide support to the Durham Housing Authority's DVI Development grant request.

## DEBT SERVICE FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
General Property Taxes	\$ 32,950,081	\$ 35,796,152	\$ 35,826,316	\$ 36,358,161	1.6%
Interest	69,022	-	-	-	0.0%
Other Revenue	643,560	622,013	622,013	598,195	-3.8%
Bond Refunding	6,186,377	-	18,044,836	-	0.0%
Intergovernmental	1,217,222	939,258	939,258	1,878,516	100.0%
Appropriation from Fund Balance	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 41,066,262</b>	<b>\$ 37,357,423</b>	<b>\$ 55,432,423</b>	<b>\$ 38,834,872</b>	<b>4.0%</b>
<b>Appropriations</b>					
Debt Service Principal	\$ 27,665,447	20,727,117	\$ 20,727,117	19,583,871	-5.5%
Debt Service Interest	8,717,016	8,370,736	8,370,736	8,946,833	6.9%
Bond Refunding	-	-	18,075,000	-	0.0%
Tax Collection Fee	371,807	393,957	393,957	422,660	7.3%
Transfer to Other Funds	4,019,511	3,079,221	3,079,221	3,020,382	-1.9%
Transfer to Fund Balance	292,481	4,786,392	4,786,392	6,861,126	0.0%
<b>Total Appropriations</b>	<b>\$ 41,066,262</b>	<b>\$ 37,357,423</b>	<b>\$ 55,432,423</b>	<b>\$ 38,834,872</b>	<b>4.0%</b>

## FUND DESCRIPTION

The Debt Service Fund accounts for the City's General Fund debt service obligations.

### REVENUE DESCRIPTIONS

General Property Taxes – The portion of property tax allocated to pay for debt service. This is 13.02 cents for FY 2017-18.

Interest - Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

Other Revenue – Subsidy payments from Build America Bonds (BABs).

Bond Refunding – Revenues and Expenditures associated with refunding of bond issuances.

Intergovernmental – Revenue from Durham County to be received for their portion of the radio infrastructure capital project. Please refer to the Capital and Grant Project Information section of this document (Section XII) for detailed information on City capital projects.

Appropriations from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

### EXPENDITURE DESCRIPTIONS

Debt Service Principal – Principal payments on the City's debt service.

Debt Service Interest – Interest payments on the City's debt service.

Bond Refunding – Revenues and Expenditures associated with refunding of bond issuances.

Tax Collection Fee - A portion of the tax collection interlocal contract with the County is allocated in this fund.

Transfer to Other Funds / Fund Balance – Transfers to the Solid Waste, Ballpark, and Parking Funds which represents their portion of debt obligations, and transfers of excess revenues over expenses to Fund Balance.



# WATER AND SEWER FUND

## WATER AND SEWER REVENUES

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Investment &amp; Rental Income</b>					
Interest: Investments and Assess.	\$ 473,195	\$ 222,000	\$ 204,831	\$ 292,500	31.8%
Rental Income	420,408	300,000	375,560	300,000	0.0%
<b>Total Investment &amp; Rental Income</b>	<b>\$ 893,603</b>	<b>\$ 522,000</b>	<b>\$ 580,390</b>	<b>\$ 592,500</b>	<b>13.5%</b>
<b>Operating Revenue</b>					
<b>Water &amp; Sewer Sales</b>					
Water & Sewer Sales	\$ 89,995,285	\$ 91,755,570	\$ 94,780,955	\$ 97,135,427	5.9%
Late Fees	178,627	150,000	221,997	175,000	16.7%
Industrial Monitoring	13,222	12,000	8,540	12,000	0.0%
Sewer Surcharge	173,117	160,000	191,718	160,000	0.0%
Suspended Solids	48,802	35,000	53,359	45,000	28.6%
<b>Subtotal</b>	<b>\$ 90,409,054</b>	<b>\$ 92,112,570</b>	<b>\$ 95,256,569</b>	<b>\$ 97,527,427</b>	<b>5.9%</b>
<b>Other Operating Revenues</b>					
Septic Tank Disposal	\$ 275,481	\$ 225,000	\$ 271,433	\$ 250,000	11.1%
Water Connection Fees	608,975	500,000	669,932	650,000	30.0%
Sewer Connection Fees	184,650	100,000	240,281	200,000	100.0%
Engineering Inspection Fee	176,879	150,000	275,419	200,000	33.3%
Backflow Certification	12,750	12,000	13,403	12,000	0.0%
<b>Subtotal</b>	<b>\$ 1,258,735</b>	<b>\$ 987,000</b>	<b>\$ 1,470,467</b>	<b>\$ 1,312,000</b>	<b>32.9%</b>
<b>Licenses and Permits</b>					
Water Permits	\$ 40,050	\$ 30,000	\$ 42,188	\$ 50,000	66.7%
Sewer Permits	21,150	10,000	17,100	20,000	100.0%
Cross Connection Control Permits	78,886	50,000	98,206	75,000	50.0%
<b>Subtotal</b>	<b>\$ 140,086</b>	<b>\$ 90,000</b>	<b>\$ 157,494</b>	<b>\$ 145,000</b>	<b>61.1%</b>
<b>Total Operating</b>	<b>\$ 91,807,876</b>	<b>\$ 93,189,570</b>	<b>\$ 96,884,530</b>	<b>\$ 98,984,427</b>	<b>6.2%</b>
<b>Other Revenues</b>					
Miscellaneous	\$ 903,648	\$ 58,849	\$ 566,201	\$ 10,000	-83.0%
Bond Refinancing	-	-	55,203,495	-	-
Water Frontage Fees/Assessments	49,723	100,000	(33,116)	-	-100.0%
Sewer Frontage Fees/Assessments	(16,964)	250,000	(10,871)	-	-100.0%
<b>Total Other Revenues</b>	<b>\$ 936,406</b>	<b>\$ 408,849</b>	<b>\$ 55,725,709</b>	<b>\$ 10,000</b>	<b>-97.6%</b>
<b>Transfers from Other Funds</b>					
General Fund	276,982	-	-	-	0.0%
Ball Park Fund	123,240	-	130,018	-	0.0%
<b>Total Transfers from Other Funds</b>	<b>\$ 400,222</b>	<b>\$ -</b>	<b>\$ 130,018</b>	<b>\$ -</b>	<b>0.0%</b>
Appropriation from Fund Balance	\$ -	\$ -	\$ -	\$ 609,543	100.0%
<b>TOTAL W &amp; S FUND REVENUES</b>	<b>\$ 94,038,107</b>	<b>\$ 94,120,419</b>	<b>\$ 153,320,647</b>	<b>\$ 100,196,470</b>	<b>6.5%</b>

# WATER AND SEWER FUND REVENUE AND APPROPRIATION SUMMARY

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>REVENUES</b>					
Investment and Rental Income	\$ 893,603	\$ 522,000	\$ 580,390	\$ 592,500	13.5%
Water and Sewer Sales	90,409,054	92,112,570	95,256,569	97,527,427	5.9%
Other Operating Revenue	1,258,735	987,000	1,470,467	1,312,000	32.9%
Licenses and Permits	140,086	90,000	157,494	145,000	61.1%
Frontage Fees/Assessments	32,758	350,000	(43,986)	-	-100.0%
Other	903,648	58,849	55,769,695	10,000	-83.0%
Transfer from Other Funds	400,222	-	130,018	-	0.0%
Appropriations from Fund Balance	-	-	-	609,543	100.0%
<b>TOTAL REVENUES</b>	<b>\$ 94,038,107</b>	<b>\$ 94,120,419</b>	<b>\$ 153,320,647</b>	<b>\$ 100,196,470</b>	<b>6.5%</b>
<b>APPROPRIATIONS</b>					
Personal Services	\$ 23,399,965	\$ 26,676,099	\$ 23,895,522	\$ 27,992,356	4.9%
Operating	26,182,068	27,085,673	28,343,845	28,153,439	3.9%
Capital Outlay	242,410	218,000	558,827	-	-100.0%
Debt Service	10,064,580	10,198,338	61,883,202	10,412,619	2.1%
Transfers to Other Funds	19,650,869	22,911,502	22,911,502	33,638,056	46.8%
Transfers to Fund Balance	14,498,214	7,030,807	15,727,749	-	-100.0%
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 94,038,106</b>	<b>\$ 94,120,419</b>	<b>\$ 153,320,647</b>	<b>\$ 100,196,470</b>	<b>6.5%</b>
<b>Department Appropriations</b>					
Water Management	\$ 38,566,205	\$ 43,230,475	\$ 42,386,181	\$ 44,281,302	2.4%
Public Works	3,290,511	3,585,684	3,651,183	4,040,944	12.7%
Finance	168,957	211,112	208,850	71,798	-66.0%
Nondepartmental Appropriations	52,012,433	47,093,148	107,074,433	51,802,426	10.0%
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 94,038,106</b>	<b>\$ 94,120,419</b>	<b>\$ 153,320,647</b>	<b>\$ 100,196,470</b>	<b>6.5%</b>

## FUND DESCRIPTION

The Water and Sewer Fund accounts for revenues and expenses related to the provision of water and sewer services to the customers of the City and adjacent areas. Water and Sewer CIP projects are part of the annual adopted Capital Improvement Program budget adoption and are not part of the operating fund.

## **WATER AND SEWER FUND REVENUE DESCRIPTIONS**

### **Investment and Rental Income**

Interest: Investments and Assessments - Investment income is gained through the commitment of City funds to investment instruments allowed by State Statute, and interest is charged on water and sewer assessments.

Rental Income - The City owns property and houses, purchased for other purposes with Water and Sewer Fund monies, which are temporarily rented. This also includes revenue from cellular tower leases.

### **Operating Revenues**

Water and Sewer Sales - Water and Sewer Sales includes both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities. Rates for water and sewer charges for FY 2017-18 are proposed to increase about 2.6% for the average residential customer.

Late Fees – Charges are assessed for past due payments.

Industrial Monitoring Charge - The Environmental Protection Agency requires the recovery of costs incurred in monitoring potentially high strength and toxic wastes. The rate schedule is based on the types of tests required.

Sewer Surcharges - Surcharges are applied to high strength waste per pounds of biochemical oxygen demand.

Suspended Solids - Charges on suspended solids are applied per 1,000 pounds.

### **Other Operating Revenues**

Septic Tank Disposal - Charges for septic waste discharged at the North Durham Water Reclamation Facility.

Water and Sewer Line Connection Fees - Fees are charged at the time of initial connection to water and sewer mains. These fees vary with the size of the connection.

Engineering Inspection Fees - The Water and Sewer Engineering Division charges fees for water main, sewer main, and sewer outfall inspections.

Backflow Tester School - The Water Resources Department offers certification classes for backflow testers. An enrollment fee is charged for each participant in the school.

### **Licenses and Permits**

Water and Sewer Permit Fees - These fees are paid by developers and the City for permits to extend water and sewer lines.

Cross Connection Control (CCC) Permit fees - This permit partially recovers inspection costs of CCC devices.

### **Other Revenues**

Miscellaneous - This item includes revenues from broken water meter charges, water cut-off penalties and after-hours service charges.

Water and Sewer Frontage Fees/Assessments - Frontage Fees are applicable when property is developed and the developer or property owner has not installed a water and/or sewer line across the street frontage or street right-of-way abutting the project. This item reflects confirmations of water and sewer assessment rolls.

### **Transfers from Other Funds**

General Fund – The Water and Sewer Fund financed an Information Technology Infrastructure project in FY 2011-12, and the general fund paid back its portion of the project over five years.

Appropriation from Fund Balance - An appropriation from fund balance is used to balance the budget when expenditures are anticipated to exceed revenues in a given year. In FY 2016-17, there is no additional fund balance appropriation.

## WATER AND SEWER NON-DEPARTMENTAL APPROPRIATIONS

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Personal Services</b>					
Merit/Market Salary Adjustment	\$ -	\$ 629,531	\$ -	\$ 796,796	26.6%
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 629,531</b>	<b>\$ -</b>	<b>\$ 796,796</b>	<b>26.6%</b>
<b>Operating</b>					
General Fund Services	5,997,679	4,773,733	4,773,733	5,303,254	11.1%
Insurance Risk /Post Employment	1,482,356	1,481,451	1,481,451	1,583,915	6.9%
Miscellaneous	318,735	67,786	296,796	67,786	0.0%
<b>Subtotal</b>	<b>\$ 7,798,770</b>	<b>\$ 6,322,970</b>	<b>\$ 6,551,980</b>	<b>\$ 6,954,955</b>	<b>10.0%</b>
<b>Transfers</b>					
Transfer to Storm Water Fund	\$ -	\$ -	\$ -	\$ -	0.0%
Transfer to Capital Fleet Program	650,869	911,502	911,502	1,238,056	35.8%
Transfer to Capital Improvements Program	19,000,000	22,000,000	22,000,000	32,400,000	47.3%
Transfer to Fund Balance	14,498,214	7,030,807	15,727,749	-	-100.0%
<b>Subtotal</b>	<b>\$ 34,149,083</b>	<b>\$ 29,942,309</b>	<b>\$ 38,639,251</b>	<b>\$ 33,638,056</b>	<b>12.3%</b>
<b>Debt Service</b>					
Debt Service/Refunding	\$ 10,064,580	\$ 9,698,338	\$ 61,883,202	\$ 10,412,619	7.4%
County Line Reimbursement	-	500,000	-	-	-100.0%
<b>Subtotal</b>	<b>\$ 10,064,580</b>	<b>\$ 10,198,338</b>	<b>\$ 61,883,202</b>	<b>\$ 10,412,619</b>	<b>2.1%</b>
<b>TOTAL NON-DEPARTMENTAL</b>	<b>\$ 52,012,433</b>	<b>\$ 47,093,148</b>	<b>\$ 107,074,433</b>	<b>\$ 51,802,426</b>	<b>10.0%</b>

## **WATER AND SEWER FUND NON-DEPARTMENTAL APPROPRIATIONS**

### **Personal Services**

Merit/Market Salary Adjustment - These funds are appropriated to cover any budgeted pay increases, costs associated with increased benefit requirements, etc. FY 2017-18 accounts for increases in health care costs and for an incremental increase to employee pay.

### **Operating**

General Fund Services - Funds are appropriated each year to reimburse the General Fund for services provided to the Water and Sewer Fund. These are also known as Indirect Costs.

Insurance Risk/Post Employment - Each fund pays a proportionate share of expected liability and workers' compensation claims obligations, as well as a share of general insurance, post-employment benefits, and safety and health costs.

Miscellaneous - This account covers all other charges that may be incurred outside of normal departmental operations. Since FY 2015-16, the costs associated with Voice Over IP (VOIP) service have been included here.

### **Transfers**

Transfer to Stormwater Fund – These costs cover an arrangement between Water and Sewer and Stormwater (Public Works) regarding the Household Hazardous Waste program. This was discontinued in FY 2015-16 as the operation has moved off of Water Management's property.

Transfer to Capital Fleet Program – Transfers are made to a capital project to cover fleet vehicle replacement costs, and new vehicle acquisition costs.

### Capital Improvement Program (CIP) Appropriations

Water and Sewer operating funds are appropriated to the Capital Improvement Program to address specific critical capital maintenance needs. For FY 2017-18, \$32.4 million in CIP funding will be provided from Water and Sewer rates. The full list of Water and Sewer CIP projects can be found in the FY 2018-2023 Capital Improvement Program budget document.

### Transfer to Fund Balance

This is budgeted to increase the fund balance to meet debt covenants and plan for future pay-as-you-go transfers to the Water and Sewer CIP.

### **Debt Service**

Debt Service - Debt service for water and sewer projects is paid directly from the Water and Sewer Operating Fund.

County Line Reimbursement - The City reimburses the County for water and sewer line installations within designated areas of the County.

## CAPITAL FACILITIES FEES FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Interest and Rental Income	66,930	\$ 50,000	\$ 30,000	\$ 41,000	2.0%
Operating Revenues	4,673,631	4,405,000	6,032,000	4,455,000	-2.9%
<b>Total Revenues</b>	<b>\$ 4,740,561</b>	<b>\$ 4,455,000</b>	<b>\$ 6,062,000</b>	<b>\$ 4,496,000</b>	<b>-2.8%</b>
<b>Appropriations</b>					
Transfers to Other Funds	\$ 4,584,090	\$ 4,455,000	\$ 6,062,000	\$ 4,496,000	-2.8%
Transfer to Fund Balance	156,471	-	-	-	0.0%
<b>Total Appropriations</b>	<b>\$ 4,740,561</b>	<b>\$ 4,455,000</b>	<b>\$ 6,062,000</b>	<b>\$ 4,496,000</b>	<b>-2.8%</b>

### FUND DESCRIPTION

The Capital Facilities Fees Fund was established to account for water and sewer capital facilities fees and funds are transferred to the Water and Sewer Construction Fund to be spent on eligible capital projects. Capital Facility Fees for new connections to the City's water and sewer systems were established in 1985 to recover capital costs associated with providing water supply, water treatment and wastewater treatment to new water and sewer service customers.

### REVENUE DESCRIPTIONS

Investment and Rental Income – Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

Operating Revenues – Capital Facilities Fees are charged to new development or facility expansion that results in a greater demand on the City's water supply, water treatment capacity and sewer treatment capacity.

As a part of the FY 2002-03 budget, the City Council adopted a new capital facility fee schedule in order to offset a greater portion of debt service related to the expansion of water supply, water treatment and wastewater treatment. In FY 2004-05, Water Capital Facilities Fees were increased by \$200 for each meter size. This increase specifically addressed an on-going automated meter reading program. For FY 2008-09 an increase of approximately 20% in the water capital facility fee for all meter sizes was adopted to help provide funding for future water supply and treatment capital projects. In FY 2010-11 the increase of 5% for Capital Facility Fees for new water and sewer customers/connections reflected the increased capital cost of construction of future new, expanded and/or upgraded facilities. Capital Facility Fees increased 5.7% in FY 2013-14 for all new connections to the City's water and sewer system based on the increased capital cost of construction. A 2.4% increase was adopted for FY 2014-15 to cover increased construction costs, and a 2.9% increase was adopted for FY 2015-16 for construction cost increases.

### EXPENDITURE DESCRIPTIONS

Transfer to Other Funds – Revenues are transferred to the Water and Sewer Construction Fund to fund eligible capital projects.

Transfer to Fund Balance – Any surplus in the Fund is returned to fund balance.

## SOLID WASTE FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Revenues					
General Property Taxes	\$ 14,799,180	\$ 16,853,334	\$ 16,867,536	\$ 17,564,734	4.2%
Interest and Rental Income	50,504	10,000	27,000	30,000	200.0%
Charges for Services	6,273,772	6,080,361	7,023,535	7,084,624	16.5%
Solid Waste Fee	(4)	-	-	-	0.0%
Intergovernmental Revenues	155,404	157,376	166,606	167,322	6.3%
Landfill Gas	193,898	193,060	110,000	140,000	-27.5%
Other Financing Sources	5,498	-	560	140	100.0%
Transfers From Other Funds	15,000	90,130	90,130	127,695	41.7%
Appropriation From Fund Balance	-	-	161,620	-	0.0%
<b>Total Revenues</b>	<b>\$ 21,493,252</b>	<b>\$ 23,384,261</b>	<b>\$ 24,446,987</b>	<b>\$ 25,114,515</b>	<b>7.4%</b>
Appropriations					
Personal Services	\$ 6,537,662	\$ 6,823,460	\$ 7,361,776	\$ 7,325,105	7.4%
Operating	9,441,252	12,142,515	12,750,274	12,928,921	6.5%
Capital and Other	128,801	75,130	70,168	280,695	273.6%
Debt Service	4,107,015	4,260,951	4,260,951	4,248,931	-0.3%
Transfers To Other Funds	3,818	3,818	3,818	157,818	4033.5%
Transfer to Fund Balance	1,274,704	78,387	-	173,045	120.8%
<b>Total Appropriations</b>	<b>\$ 21,493,252</b>	<b>\$ 23,384,261</b>	<b>\$ 24,446,987</b>	<b>\$ 25,114,515</b>	<b>7.4%</b>
Department Appropriations					
Solid Waste Management	\$ 14,940,637	\$ 15,455,515	\$ 16,654,886	\$ 16,460,931	6.5%
Water Management	142,831	256,132	197,774	267,200	4.3%
Nondepartmental Appropriations	6,409,784	7,672,614	7,594,327	8,386,384	9.3%
<b>Total Appropriations</b>	<b>\$ 21,493,252</b>	<b>\$ 23,384,261</b>	<b>\$ 24,446,987</b>	<b>\$ 25,114,515</b>	<b>7.4%</b>

## FUND DESCRIPTION

The Solid Waste Fund provides for the City's solid waste disposal and reduction needs. Household solid waste collection, recycling collection, yard waste collection, transfer station operations, code enforcement and administrative costs are budgeted in this Fund.

Solid Waste Management Appropriations – These appropriations are directly tied to the department, and include personnel expenditures, operating costs such as contracts, fuel, and vehicle maintenance, and capital asset purchases, such as the five new downtown compactors.

Water Management Appropriations – Appropriations to the Department of Water Management for maintenance of the closed landfill.

Nondepartmental Appropriations – Includes expenditures not directly associated with the department, including debt service, salary and benefit increase placeholders, indirect costs, Risk charges, and intragovernmental transfers.

## REVENUE DESCRIPTIONS

General Property Taxes – Beginning in FY16, a portion of the City's tax rate was allocated to the Solid Waste Fund in place of the former transfers from the General Fund and the Debt Service Fund. The proposed rate for FY18 of 6.29 cents per \$100 valuation includes enough to cover fully budgeting true indirect costs in the Fund.

Interest and Rental Income – Interest earned on the investment of the fund balance.

Charges for Services – These include the per ton tipping fee for solid waste charged at the transfer station, fees for yard waste collection, scrap tire rebates, sales of recyclables, brush pickup fees, and white good disposal revenue.

Solid Waste Fee – In FY14, the City charged a monthly \$1.80 fee to households receiving solid waste collection services from the City. In FY15, the City ceased charging residents fees for the provision of solid waste collection services, and increased the transfer from the Debt Service Fund to cover the difference. Service is now covered by the dedicated property tax rate.

Intergovernmental Revenues – State solid waste rebates and subsidy payments from Build America Bonds (BABs).

Landfill Gas – Revenues generated from methane produced from the City's closed landfill.

Other Financing Sources – Bond refunding transactions and collection related activities.

Transfer from Other Funds – The General Fund subsidized the Solid Waste Fund on an annual basis. A transfer from the Debt Service Fund was used to cover the cost of debt payments. Beginning in FY16, a portion of the property tax rate was dedicated to this Fund replacing these transfers. The only remaining transfer is from the BID Fund and is used to recover a portion of the costs to provide service to those downtown businesses and residents. This transfer has historically been \$15K; increases for FY17 and FY18 are for the purchase and installation of downtown compactors to be paid for by the BID Fund.

Appropriation from Fund Balance – These include transfers from reserves each year to cover encumbrance carry forward amounts for contracts.

## EXPENDITURE DESCRIPTIONS

Personal Services – All of the City's Solid Waste Management employees are accounted for in this area.

Operating – Major items include fuel purchases and contracts. The large increase in FY17 is due to fully budgeting indirect costs in the Fund for the first time.

Capital and Other – Funds in reserve to be used for pending projects.

Debt Service – To cover the cost of capital projects, vehicles, and other large asset purchases.

Transfers to Other Funds – Transfers to cover projects paid for out of other funds.

Transfer to Fund Balance – Used when projected revenues exceed projected expenditures.



## STORMWATER MANAGEMENT FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Interest and Rental Income	\$ 57,671	\$ 25,000	\$ 25,000	\$ 34,000	36.0%
Operating Revenues	\$ 16,089,656	\$ 15,414,729	\$ 15,532,629	\$ 15,486,348	0.5%
Transfers From Other Funds	109,047	109,047	109,047	109,047	0.0%
Appropriation From Fund Balance	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 16,256,374</b>	<b>\$ 15,548,776</b>	<b>\$ 15,666,676</b>	<b>\$ 15,629,395</b>	<b>0.5%</b>
<b>Appropriations</b>					
Personal Services	\$ 6,266,768	\$ 7,215,998	\$ 6,732,585	\$ 8,013,605	11.1%
Operating	2,613,766	3,060,162	3,099,016	3,116,332	1.8%
Capital and Other	15,595	-	1,400,000	165,836	100.0%
Transfers To Other Funds	4,838,628	2,516,608	2,516,608	3,904,816	55.2%
Transfer to Fund Balance	2,521,617	2,756,008	1,918,467	428,806	-84.4%
<b>Total Appropriations</b>	<b>\$ 16,256,374</b>	<b>\$ 15,548,776</b>	<b>\$ 15,666,676</b>	<b>\$ 15,629,395</b>	<b>0.5%</b>
<b>Department Appropriations</b>					
Public Works	\$ 7,724,302	\$ 8,864,905	\$ 8,974,605	\$ 9,751,844	10.0%
Nondepartmental Appropriations	8,532,072	6,683,871	6,692,071	5,877,551	-12.1%
<b>Total Appropriations</b>	<b>\$ 16,256,374</b>	<b>\$ 15,548,776</b>	<b>\$ 15,666,676</b>	<b>\$ 15,629,395</b>	<b>0.5%</b>

### FUND DESCRIPTION

The Stormwater Fund accounts for revenues and expenses related to Stormwater Management. In fiscal year 2009-10 the City moved from monthly billing to annual billing for property owners.

### REVENUE DESCRIPTIONS

Operating Revenue – This revenue stream is comprised of two sources:

**Stormwater Utility Charges:** Property owners are billed for Stormwater Charges based on the impervious area of their property (measured in Equivalent Residential Units (ERU), or 2,400 square feet). No rate increase is proposed for FY 18. The single-family residential stormwater monthly fee structure reflects three tiers tied to square footage of impervious surface: \$3.26 for less than 2,000 square feet, \$6.75 for more than 2,000 and less than 4,000 square feet; \$13.52 for more than 4,000 square feet. Also included in this category are fees for the removal of dead animals from veterinary hospitals, a service provided by the Street Cleaning division. The Stormwater Fee ordinance exempts City streets, but not City buildings, from Stormwater Fees. Residential customers are billed annually for stormwater charges but may request periodic billing from the Public Works Department.

**Stormwater Permit Fees:** The Stormwater Permit Fee is for plan review and inspection of any required Stormwater management facility (e.g., detention basin, sand filter) associated with development plans.

Interest and Rental Income – Income is gained through the commitment of City funds to investment instruments allowed by State Statute.

Miscellaneous – Revenues received from inspection of stormwater infrastructure in new development.

Transfer from Other Funds – Revenues received from the Transit Fund to support bus shelter cleaning services.

## EXPENDITURE DESCRIPTIONS

Personal Services – Supports all Stormwater staff in Public Works.

Operating – This includes all ongoing and one-time costs associated with NPDES permit requirements. This supports three work units in the Public Works department: Stormwater Management, providing water quality inspections & certification of all stormwater structures, and design and construction of capital infrastructure projects; Stormwater Maintenance, addressing the above ground and underground system components; and Street & Bus Stop Cleaning. The Solid Waste department administers and manages the Hazardous Household Waste contract.

Capital – This provides for maintenance of equipment.

Transfer to Other Funds – This is a transfer to the CIP for stormwater projects and transfer to Fleet for purchase of vehicles.

Transfer to Fund Balance – Any surplus in the Fund is returned to fund balance.

Nondepartmental Appropriations – These charges include a payment to the General Fund for indirect costs and a payment to the Risk Fund for insurance (liability, workers' compensations, general insurance, safety and health programs).

## TRANSIT FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
General Property Taxes	\$ 9,792,595	\$11,299,707	\$11,309,229	\$ 9,941,248	-12.0%
Licenses and Permits	2,603,956	2,480,521	2,650,000	2,700,000	8.8%
Intergovernmental	4,617,384	5,209,187	5,152,592	5,754,818	10.5%
Charges for Current Services	3,262,253	3,442,022	3,269,317	3,060,521	-11.1%
Other Revenue	116,427	147,727	122,030	207,727	40.6%
Appropriation from Fund Balance	-	-	1,695,899	-	0.0%
<b>Total Revenues</b>	<b>\$20,392,615</b>	<b>\$22,579,164</b>	<b>\$24,199,067</b>	<b>\$21,664,314</b>	<b>-4.1%</b>
<b>Appropriations</b>					
Operating	\$16,720,099	\$18,706,554	\$19,726,529	\$19,867,256	6.2%
Capital	64,640	491,154	547,170	278,459	-43.3%
Debt Service	203,459	198,821	198,821	194,182	-2.3%
Transfers to Other Funds	1,974,881	1,668,293	1,994,137	1,324,417	-20.6%
Transfer to Fund Balance	1,429,536	1,514,342	1,732,410	-	-100.0%
<b>Total Appropriations</b>	<b>\$20,392,615</b>	<b>\$22,579,164</b>	<b>\$24,199,067</b>	<b>\$21,664,314</b>	<b>-4.1%</b>
<b>Departmental Appropriations</b>					
Transportation Department	\$18,131,026	\$20,171,073	\$21,572,908	\$20,769,725	3.0%
Nondepartmental Appropriations	2,261,591	2,408,091	2,626,158	894,589	-62.9%
<b>Total Appropriations</b>	<b>\$20,392,617</b>	<b>\$22,579,164</b>	<b>\$24,199,066</b>	<b>\$21,664,314</b>	<b>-4.1%</b>

## FUND DESCRIPTION

The Transit Fund provides for the operation of the City's mass transportation system, which includes GoDurham (formerly the Durham Area Transit Authority (DATA)) and the Para-Transit transportation system, ACCESS. Triangle Transit provides management oversight over the operations of the system. GoDurham is currently operated by Durham City Transit Company (DCTC), which is staffed and operated by a contracted vendor. Transit operations also involve significant grant awards which are appropriated in separate, multi-year Grant Project Ordinances, so they are not included in the Annual Operating Budget Ordinance or in this fund summary.

### REVENUE DESCRIPTIONS

General Property Taxes – The tax rate dedicated to Transit is proposed at 3.56 cents per \$100 of valuation.

Licenses and Permits – Represents City motor vehicle license fees dedicated to Transit. These are \$15 per vehicle registration.

Intergovernmental Revenue – Assistance is granted annually by the State government to local entities that operate mass transit systems. Also, funds are transferred annually from Triangle Transit to cover new services, and the increased costs of existing services.

Charges for Current Services – Fare box and Para-transit transport fares.

### EXPENDITURE DESCRIPTIONS

Operating – The operating budget represents fuel and funds to operate the transit system.

Transfers to Other Funds - Grant matches for Transit operations and a payment to the Stormwater Fund to cover bus shelter cleaning services.

## PARKING FACILITIES FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Interest and Rental Income	\$ 8,019,928	\$ 3,000	\$ 12,000	\$ 12,000	300.0%
Charges for Services	4,070,356	4,493,336	3,983,535	5,082,231	13.1%
Transfers from Other Funds	1,924,735	914,757	914,757	882,707	-3.5%
Appropriation from Fund Balance	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$14,015,019</b>	<b>\$ 5,411,093</b>	<b>\$ 4,910,292</b>	<b>\$ 5,976,938</b>	<b>10.5%</b>
<b>Appropriations</b>					
Personal Services	\$ 166,626	\$ 224,757	\$ 243,005	\$ 255,009	13.5%
Operating	2,992,553	3,352,531	3,345,007	3,689,675	10.1%
Capital	36,075	105,500	100,000	-	-100.0%
Debt Service	7,059,114	1,111,276	1,050,049	1,359,597	22.3%
Transfer to Fund Balance	3,760,651	617,029	172,231	672,657	9.0%
<b>Total Appropriations</b>	<b>\$14,015,019</b>	<b>\$ 5,411,093</b>	<b>\$ 4,910,292</b>	<b>\$ 5,976,938</b>	<b>10.5%</b>
<b>Departmental Appropriations</b>					
Transportation Department	\$ 2,705,139	\$ 3,181,825	\$ 3,187,049	\$ 3,548,128	11.5%
Nondepartmental Appropriations	11,309,880	2,229,268	1,723,243	2,428,810	9.0%
<b>Total Appropriations</b>	<b>\$14,015,019</b>	<b>\$ 5,411,093</b>	<b>\$ 4,910,292</b>	<b>\$ 5,976,938</b>	<b>10.5%</b>

### FUND DESCRIPTION

The Parking Facilities Fund was established to account for revenues and expenses to city-owned parking areas, including four garages (Chapel Hill Street, Church Street, Corcoran Street and the Durham Centre) and three off-street lots. On-street parking revenues and expenditures are also budgeted in this fund. FY 2017-18, there is a proposed month rate increase for parking garages and surface lots. Recommendations from the recently completed parking study continue to be implemented. Paid on-street parking for certain areas in and around downtown Durham was completed during FY 2016-17. A new downtown garage is also in planning stages and that is being funded through the Capital Improvements Program.

### REVENUE DESCRIPTIONS

Interest and Rental Income - Gains through the commitment of City funds to investment instruments allowed by State Statute.

Charges for Current Services - Revenues represent the gross revenue collected by the contract vendor operating the parking facilities and issuing tickets in the downtown area. Reimbursements to the vendor are reflected in the operating budget and are specified in the contract with the vendor.

Transfers from Other Funds – This transfer is from the Debt Service Fund to cover debt service payments related to parking.

### EXPENDITURE DESCRIPTIONS

Personal Services – The City's Transportation Department provides oversight of the parking contracts. There are three (3) FTEs supporting parking functions.

Operating – The operating budget represents contract payments to a private contractor.

Capital – Funds were used to purchase automation equipment for garages.

Debt Service – This had previously been paid out of the Debt Service Fund, but to consolidate all parking related expenses into this fund, it was moved here and is covered with a transfer from the Debt Service Fund.

## BALLPARK FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Interest and Rental Income	\$ 9,573	\$ 3,000	\$ 4,500	\$ 6,000	100.0%
Charges for Services	255,038	244,712	244,712	258,071	5.5%
Transfer from Fund Balance	-	-	-	56,610	100.0%
Transfers from Other Funds	1,244,776	1,215,354	1,215,354	1,187,675	-2.3%
<b>Total Revenues</b>	<b>\$ 1,509,387</b>	<b>\$ 1,463,066</b>	<b>\$ 1,464,566</b>	<b>\$ 1,508,356</b>	<b>3.10%</b>
<b>Appropriations</b>					
Operating	\$ 42,960	\$ 42,022	\$ 42,415	\$ 112,610	168.0%
Debt Service	1,287,328	1,273,414	1,273,414	1,258,576	-1.2%
Transfer to Fund Balance	55,859	17,612	18,719	-	100.0%
Transfers to Other Funds	123,240	130,018	130,018	137,170	5.5%
<b>Total Appropriations</b>	<b>\$ 1,509,387</b>	<b>\$ 1,463,066</b>	<b>\$ 1,464,566</b>	<b>\$ 1,508,356</b>	<b>3.10%</b>
<b>Departmental Appropriations</b>					
General Services	\$ 42,960	\$ 42,022	\$ 42,415	\$ 112,610	168.0%
Nondepartmental Appropriations	1,466,427	1,421,044	1,422,151	1,395,746	-1.8%
<b>Total Appropriations</b>	<b>\$ 1,509,387</b>	<b>\$ 1,463,066</b>	<b>\$ 1,464,566</b>	<b>\$ 1,508,356</b>	<b>3.10%</b>

## FUND DESCRIPTION

The Ballpark Fund was established in FY96 to account for all operational activities related to the Durham Bulls Athletic Park (DBAP). Effective January 2014, the City entered into a 20-year lease with the Durham Bulls Baseball Club. Per the terms of this agreement, the City will no longer be responsible for daily operational activities related to the Ballpark. The Ballpark is currently home to the Durham Bulls AAA Baseball Club, a local radio station, and a local television station. USA Baseball also moved into DBAP during FY04. Activities related to the baseball season occur primarily between April and September.

General Services Appropriations - Funds transferred from the department for the cost of maintenance above the agreement cap annually.

Nondepartmental Appropriations - Nondepartmental appropriations include all funds not associated with General Services.

## REVENUE DESCRIPTIONS

### Interest and Rental Income

Ballpark Rentals - The City rents the DBAP on selected days to community groups and private interests for special events and receives 1.25% of revenues for these events.

### Charges for Services

Durham Bulls Rent - The Durham Bulls are charged a base rent, paid in equal monthly installments.

Additional Bulls Rent - The Durham Bulls are charged additional rent equal to 3% of the team's gross revenues exceeding \$11,030,904 per year.

### Transfers from Other Funds

Transfer from Fund Balance - This includes funds transferred from Fund reserves.

Transfer from Others Funds - The General Fund and Debt Service Fund subsidize the Ballpark Fund.

## **EXPENDITURE DESCRIPTIONS**

Operating - The Durham Bulls are responsible for the daily operation of the Ballpark for Club Home Games, Special Events, and Third Party Events. The \$112,610 in operating for FY18 is for the anticipated cost of maintenance above the agreement cap.

Debt Service - The City issued \$12 million in taxable limited obligation bonds as part of a development agreement with the Bulls. Of the total \$12 million, \$6 million addressed Deferred Maintenance issues and the remaining \$6 million provided new improvements to the Ballpark.

Transfer to Fund Balance - Used when projected revenues exceed projected expenditures.

Transfers to Other Funds - A loan repayment to the Water and Sewer Construction Fund.

## LAW ENFORCEMENT OFFICERS' SEPARATION ALLOWANCE FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Charges for Service	\$ 416,268	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 416,268</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Appropriations</b>					
Transfers to Other Funds	\$ 416,268	-	-	-	0.0%
<b>Total Appropriations</b>	<b>\$ 416,268</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

### FUND DESCRIPTION

This fund has been established to provide special retirement benefits for eligible law enforcement officers as required by State Statute. In FY 2016-17 the fund was closed, and the revenues and expenses transferred to the Police department's operating budget.

### REVENUE DESCRIPTIONS

This fund receives revenue from three sources:

Charges for Service – The fund charges the Police Department for contributions to the Separation Fund.

### EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – The remaining proceeds were transferred to the General Fund.

## CEMETERY FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Appropriation from Fund Balance	\$ 1,186,451	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 1,186,451</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Appropriations</b>					
Transfers to Other Funds	\$ 1,186,451	\$ -	\$ -	\$ -	0.0%
<b>Total Appropriations</b>	<b>\$ 1,186,451</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

## FUND DESCRIPTION

The Cemetery Fund became part of the City operating budget ordinance in FY07. In FY17, the Fund was dissolved and all proceeds were transferred and used for cemetery repairs.

## REVENUE DESCRIPTIONS

Appropriation from Fund Balance – Funds appropriated for use based on approved projects/needs.

## EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – Reserved for transfers for cemetery repairs.



## OTHER POST EMPLOYMENT BENEFITS FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Charges for Services	\$ 301,430	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 301,430</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Appropriations</b>					
Transfer to Other Funds	\$ 301,430	-	-	-	0.0%
<b>Total Appropriations</b>	<b>\$ 301,430</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

### FUND DESCRIPTION

This fund was established effective FY 2007-08 to provide post employment benefits for eligible retired employees as required by City policy. For FY 2016-17 the OPEB fund was dissolved and all associated revenues and appropriations have been allocated to the Employee Health Fund.

### REVENUE DESCRIPTIONS

Charges for Services - The fund charges Departments for contributions to the Other Post Employment Benefits Fund.

### EXPENDITURE DESCRIPTIONS

Transfer to Other Funds— All proceeds were transferred to the Employee Health Fund.

## EMERGENCY TELEPHONE SYSTEM SURCHARGE FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
911 Surcharge Tax	\$ 1,619,955	\$ 1,668,106	\$ 1,668,106	\$ 1,723,540	3.3%
Interest Income	580	3,000	3,000	3,000	0.0%
Transfers from Reserve	-	-	507,151	-	0.0%
Appropriation from Fund Balance	20,105	400,073	400,073	160,350	-59.9%
<b>Total Revenues</b>	<b>\$ 1,640,640</b>	<b>\$ 2,071,179</b>	<b>\$ 2,578,330</b>	<b>\$ 1,886,890</b>	<b>-8.9%</b>
<b>Appropriations</b>					
Personal Services	\$ -	\$ 254,182	\$ 254,182	\$ 272,768	7.3%
Operating	1,640,640	1,816,997	2,324,148	1,515,242	-16.6%
Capital Assets	-	-	-	98,880	0.0%
<b>Total Appropriations</b>	<b>\$ 1,640,640</b>	<b>\$ 2,071,179</b>	<b>\$ 2,578,330</b>	<b>\$ 1,886,890</b>	<b>-8.9%</b>

### FUND DESCRIPTION

This fund accounts for revenues and expenditures dedicated to the operation of the 911 Communication Systems. Expenditures are restricted to those permitted by State Statute.

### REVENUE DESCRIPTION

911 Surcharge Tax – Revenues come from the 911 Wireless Surcharge Fund on wireline and wireless telephones in the 911 Service Areas. These revenues are collected by the State of North Carolina and remitted to the City for actual costs.

Interest Income – This line records interest received in the fund.

Appropriations from Fund Balance – Any costs not covered by other sources must be covered by Fund Balance.

### EXPENDITURE DESCRIPTION

Personal Services – This category captures personnel costs associated with one position providing database maintenance and mapping support, plus partial costs for two positions that are counted in the Technology Solutions organizational chart that include an Emergency Information Services (EIS) Coordinator and a GIS Coordinator.

Operating – Expenditures in this fund are associated with the maintenance, upgrade and management of the 911 Communication Systems.

Debt Service – Debt service contribution on radio console.

Appropriations to Fund Balance – Any surplus in the Fund is returned to fund balance.

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## DURHAM PERFORMING ARTS CENTER FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Other Local Taxes	\$ 1,491,396	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	0.0%
Other Revenues	1,220,074	1,112,500	1,112,500	1,120,000	0.7%
Interest Income	33,345	6,000	14,000	27,382	356.4%
Operating Revenues	1,847,823	1,362,538	1,362,538	1,459,057	7.1%
Appropriation from Fund Balance	-	-	671,542	1,288,699	0.0%
<b>Total Revenues</b>	<b>\$ 4,592,638</b>	<b>\$ 3,881,038</b>	<b>\$ 4,560,580</b>	<b>\$ 5,295,138</b>	<b>36.4%</b>
<b>Appropriations</b>					
Operating	\$ 374,485	\$ 896,191	\$ 496,049	\$ 352,421	-60.7%
Capital and Other	\$ 529,332	\$ 150,000	\$ 1,833,542	\$ 2,711,257	1707.5%
Debt Service	2,236,252	2,230,988	2,230,989	2,231,460	0.0%
Appropriation to Fund Balance	1,452,569	603,859	-	-	0.0%
<b>Total Appropriations</b>	<b>\$ 4,592,638</b>	<b>\$ 3,881,038</b>	<b>\$ 4,560,580</b>	<b>\$ 5,295,138</b>	<b>36.4%</b>

### FUND DESCRIPTION

The Durham Performing Arts Center Fund was created in FY 2006-07. It serves as the operating fund for the 2,800 seat Performing Arts Theater. Charges associated with maintenance and repair of the facility, recorded in the Durham Performing Arts Center Capital Reserve fund in prior years, were consolidated with the operating fund for FY 2014-15.

### REVENUE DESCRIPTIONS

Other Local Taxes – The Durham Performing Arts Center is funded with 1% of the Occupancy Tax collections in Durham County up to a maximum of \$1,400,000 annually.

Other Revenues – This includes naming rights revenues and ticket surcharge fees.

Interest Income – This line records interest received in the fund.

Operating Revenues – Revenues received from the theater operator.

Appropriation from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

### EXPENDITURE DESCRIPTIONS

Operating - Commissions and fees to meet contractual obligations.

Capital and Other—Maintenance, improvements, and repair costs associated with the facility.

Debt Service – Expected debt service on Certificates of Participation issued to finance the theater.

Appropriation to Fund Balance – Excess revenues beyond current expenditures are reserved for future major upgrades to the theater.

## IMPACT FEE FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Operating Revenues	\$ 3,246,076	\$ 3,087,959	\$ 5,619,532	\$ 5,563,600	80.2%
Interest and Rental Income	282,209	151,000	151,000	169,000	11.9%
<b>Total Revenues</b>	<b>\$ 3,528,285</b>	<b>\$ 3,031,292</b>	<b>\$ 5,770,532</b>	<b>\$ 5,732,600</b>	<b>89.1%</b>
<b>Appropriations</b>					
Transfer to Fund Balance	\$ 3,528,285	\$ 3,031,292	\$ 5,770,532	\$ 5,732,600	89.1%
<b>Total Appropriations</b>	<b>\$ 3,528,285</b>	<b>\$ 3,031,292</b>	<b>\$ 5,770,532</b>	<b>\$ 5,732,600</b>	<b>89.1%</b>

## FUND DESCRIPTION

The Impact Fee Fund is established to account for impact fees until they are transferred to the Consolidated General Capital Projects Fund and expended for specific, eligible projects.

## REVENUE DESCRIPTIONS

Operating Revenues or Charges for Current Service – Impact fees are charged to new development or facility expansion that results in a greater demand on the City's thoroughfare network, parks and recreation facilities, or open space land. This revenue can only be spent on capital projects generated by new development and must be spent in the zone for which it was collected. Funds must be committed within ten years of receipt.

Interest and Rental Income – Income gained through the commitment of City funds to investment instruments and income received from city owned property leased to private sector entities.

## EXPENDITURE DESCRIPTIONS

Transfer to Fund Balance – Revenues are kept in fund balance until the City Council adopts a Capital Project Ordinance that recognizes the use of impact fees for a specific, eligible project.

## BUSINESS IMPROVEMENT DISTRICT FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
General Property Taxes	\$ 463,028	\$ 614,674	\$ 639,731	\$ 697,172	13.4%
Transfers from Other Funds	250,000	250,000	250,000	250,000	0.0%
Appropriation from Fund Balance	-	-	-	-	0.0%
<b>Total Revenues</b>	<b>\$ 713,028</b>	<b>\$ 864,674</b>	<b>\$ 889,731</b>	<b>\$ 947,172</b>	<b>9.5%</b>
<b>Appropriations</b>					
Operating	\$ 653,503	\$ 653,503	\$ 768,397	\$ 768,397	17.6%
Tax Collection Fee	5,119	6,147	6,397	8,017	30.4%
Transfer to Other Funds	15,000	90,130	90,130	127,695	41.7%
Transfer to Fund Balance	39,406	-	-	-	0.0%
Appropriations not Authorized	-	114,894	24,807	43,063	100.0%
<b>Total Appropriations</b>	<b>\$ 713,028</b>	<b>\$ 864,674</b>	<b>\$ 889,731</b>	<b>\$ 947,172</b>	<b>9.5%</b>

### FUND DESCRIPTION

The Business Improvement District (BID) Fund was established in FY 2012-13 to account for activity in the City's Downtown Business Improvement District.

### REVENUE DESCRIPTIONS

General Property Taxes – A targeted 7 cents per \$100 assessed value tax on property within the boundaries of the BID, allocated to pay for enhanced services to the district.

Transfers from Other Funds – A transfer is made from the General Fund to cover a portion of the contractual services.

Appropriation from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

### EXPENDITURE DESCRIPTIONS

Operating – The enhanced services provided to the Downtown Business Improvement District, through a management contract with Downtown Durham, Inc.

Tax Collection Fee – This is the collection fee Durham County charges the City for collecting property taxes.

Transfer to Other Funds – This is a payment to the Solid Waste Fund for the purchase of three solid waste compactors, as well as some minimal funding to support enhanced collection services.

Transfer to Fund Balance – Any surplus in the fund is returned to fund balance.

Appropriations not authorized – Appropriations held in reserve / to be designated.

## RISK REDUCTION FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Interest Income	\$ 80,529	\$ 40,000	\$ 40,000	\$ 48,000	20.0%
Charges for Current Services	4,932,803	5,010,994	5,010,994	4,720,838	-5.8%
Transfer from Other Funds	48,719	-	-	-	0.0%
Appropriation from Fund Balance	-	392,436	392,436	700,000	78.4%
<b>Total Revenues</b>	<b>\$ 5,062,051</b>	<b>\$ 5,443,430</b>	<b>\$ 5,443,430</b>	<b>\$ 5,468,838</b>	<b>0.5%</b>
<b>Appropriations</b>					
Personal Services	\$ 420,085	\$ 477,942	\$ 477,942	\$ 479,410	0.3%
Operating	4,343,105	4,965,488	4,966,036	4,831,068	-2.7%
Transfer to Other Funds	-	-	-	158,360	100.0%
Transfer to Fund Balance	298,861	-	-	-	0.0%
<b>Total Appropriations</b>	<b>\$ 5,062,051</b>	<b>\$ 5,443,430</b>	<b>\$ 5,443,978</b>	<b>\$ 5,468,838</b>	<b>0.5%</b>

### FUND DESCRIPTION

The Risk Reduction Fund is established to provide a source of funds for payment of the City's uninsured legal liabilities, including risks such as workers' compensation, automobiles, general operations and professional activities. Claim settlements, actuarial expenses, legal fees, administrative expenses and other professional services required for claim disposition are paid from this fund.

The Risk Reduction Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

### REVENUE DESCRIPTIONS

Interest Income – Income earned through the commitment of City funds to investment instruments.

Charges for Current Services – Each operating fund pays a charge for the provision of risk services.

Transfer from Other Funds – This is the repayment of an interfund loan.

Appropriations from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

### EXPENDITURE DESCRIPTIONS

Personal Services – In FY2013-14 the personnel assigned to risk functions were moved from the Finance department to the Risk fund.

Operating – This line includes claims payments for workers compensation, general liability cases and professional services.

Transfer to Fund Balance – Any surplus in the fund is returned to fund balance.

Transfer to Other Funds – To pay for Fleet vehicles associated with this fund.

## EMPLOYEE INSURANCE FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Charges for Current Services		\$	\$	\$ 36,666,076	16.1%
Interest	\$30,776,712	31,574,333	31,574,333		
	62,745	46,000	46,000	37,000	-19.6%
Appropriation from Fund Balance	3,395,990	1,639,580	2,208,002	-	-
<b>Total Revenues</b>	<b>\$34,235,447</b>	<b>\$33,259,913</b>	<b>\$33,828,335</b>	<b>\$ 36,703,076</b>	<b>10.4%</b>
<b>Appropriations</b>					
Personnel	\$	\$	\$	\$ 585,545	7.2%
	504,847	546,209	546,209		
Operating	33,730,600	32,713,704	33,282,126	34,194,024	4.5%
Transfer to Fund Balance	-	-	-	1,923,507	100.0%
<b>Total Appropriations</b>	<b>\$34,235,447</b>	<b>\$33,259,913</b>	<b>\$33,828,335</b>	<b>\$ 36,703,076</b>	<b>10.4%</b>
	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Charges for Current Services	\$ 30,776,712	\$ 31,574,333	\$ 31,574,333	\$ 36,666,076	16.1%
Interest	62,745	46,000	46,000	37,000	-19.6%
Appropriation from Fund Balance	3,395,990	1,639,580	2,208,002	-	-100.0%
<b>Total Revenues</b>	<b>\$ 34,235,447</b>	<b>\$ 33,259,913</b>	<b>\$ 33,828,335</b>	<b>\$ 36,703,076</b>	<b>10.4%</b>
<b>Appropriations</b>					
Personnel	\$ 504,847	\$ 546,209	\$ 546,209	\$ 585,545	7.2%
Operating	33,730,600	32,713,704	33,282,126	34,194,024	4.5%
Transfer to Fund Balance	-	-	-	1,923,507	100.0%
<b>Total Appropriations</b>	<b>\$ 34,235,447</b>	<b>\$ 33,259,913</b>	<b>\$ 33,828,335</b>	<b>\$ 36,703,076</b>	<b>10.4%</b>

### FUND DESCRIPTION

The Employee Insurance Fund was established to account for the City's health insurance obligations.

The Employee Insurance Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

### REVENUE DESCRIPTIONS

Charges for Current Services – Each operating fund pays a charge for the provision of employee self-insurance services.

Interest – Income gained through the commitment of City funds to investment instruments.

Appropriation from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

## **EXPENDITURE DESCRIPTIONS**

Personnel – A Wellness Program Administrator FTE is included in the fund, as well as transfer of costs from the dissolved OPEB fund.

Operating – This line includes payments for health insurance.

Transfer to Fund Balance – Any surplus in the Fund is returned to fund balance.



## WATERSHED PROTECTION FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Charges for Services	\$ 107,859	\$ 87,000	\$ 107,500	\$ 100,000	14.9%
<b>Total Revenues</b>	<b>\$ 107,859</b>	<b>\$ 87,000</b>	<b>\$ 107,500</b>	<b>\$ 100,000</b>	<b>14.9%</b>
<b>Appropriations</b>					
Transfers to Other Funds	\$ 92,000	\$ 87,000	\$ 87,000	\$ 100,000	14.9%
Transfer to Fund Balance	15,859	-	20,500	-	0.0%
<b>Total Appropriations</b>	<b>\$ 107,859</b>	<b>\$ 87,000</b>	<b>\$ 107,500</b>	<b>\$ 100,000</b>	<b>14.9%</b>

### FUND DESCRIPTION

The Watershed Protection Fund was established in FY 2011-12 to account for activities related to the protection of the City's watershed lands.

### REVENUE DESCRIPTIONS

Charges for Services - City Water Services fees collected for the purpose of the preservation of City's watershed.

### EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – The fees are transferred to Water & Sewer Construction for the purpose of future purchases of watershed land.

Transfer to Fund Balance – Any surplus in the fund is returned to fund balance.

## DEDICATED HOUSING FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
General Property Taxes	\$ 2,530,120	\$ 2,749,320	\$ 2,751,637	\$ 5,584,970	103.1%
Charges for Current Services	64,394	-	189,154	-	0.0%
Transfer from the General Fund	-	-	805,430	-	0.0%
Appropriation from Fund Balance	-	-	2,025,405	-	0.0%
<b>Total Revenues</b>	<b>\$ 2,594,514</b>	<b>\$ 2,749,320</b>	<b>\$ 5,771,625</b>	<b>\$ 5,584,970</b>	<b>103.1%</b>
<b>Appropriations</b>					
Personal Services	\$ 74,000	\$ 76,220	\$ 76,220	\$ 78,507	3.0%
Operating	1,214,981	663,372	3,920,475	2,586,069	289.8%
Capital and Other	740,701	-	-	2,760,007	100.0%
Transfers to Other Funds	100,000	-	-	-	0.0%
Transfer to Fund Balance	464,832	2,009,728	1,774,930	160,387	-92.0%
<b>Total Appropriations</b>	<b>\$ 2,594,513</b>	<b>\$ 2,749,320</b>	<b>\$ 5,771,625</b>	<b>\$ 5,584,970</b>	<b>103.1%</b>
<b>Departmental Appropriations</b>					
Community Development	\$ 1,780,432	\$ 707,975	\$ 1,751,514	\$ 5,360,347	657.1%
Nondepartmental Appropriations	814,081	2,041,345	4,020,111	224,623	-89.0%
<b>Total Appropriations</b>	<b>\$ 2,594,513</b>	<b>\$ 2,749,320</b>	<b>\$ 5,771,625</b>	<b>\$ 5,584,970</b>	<b>103.1%</b>

### FUND DESCRIPTION

The Dedicated Housing Fund was established in FY 2012-13 to account for activities related to the dedicated one cent portion of the property tax rate that Council approved as part of the FY 2012-13 budget.

### REVENUE DESCRIPTIONS

General Property Taxes – A dedicated 2 cents per \$100 assessed value tax on property is proposed, allocated to pay for approved housing projects including partially funding the Southside neighborhood revitalization.

Charges for Current Services – Primarily housing lien payments.

Transfer from the General Fund – Transfer from General in FY 2016-17 Fund to support the Durham Housing Authority.

Appropriation from Fund Balance – A portion of the accumulated fund balance to fund activities.

### EXPENDITURE DESCRIPTIONS

Personal Services – Cost of one FTE associated with the Dedicated Housing Fund.

Operating – Housing related items that are not part of a specific capital project. This amount also includes the 1% fee that the City pays to the County for collecting the taxes dedicated to the fund.

Capital and Other – This primarily holds miscellaneous funds that haven't been appropriated for a specific CIP project or operating expenses.

Transfers to Other Funds – Several capital project funds are set up for Southside. Funds are collected in the Dedicated Housing Fund, and transferred to the appropriate capital project fund as they are needed.

Transfer to Fund Balance – Estimated reserves to be allocated in future years.

Departmental Appropriations – Funding allocated and approved by Council according to the 5 year plan for the dedicated funding source for housing.

Nondepartmental Appropriations – The tax collection fee paid to the County, and the Transfer to Fund Balance.

## INSPECTIONS FUND

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<b>Revenues</b>					
Licenses and Permits	\$ 6,240,496	\$ 6,097,093	\$ 7,165,672	\$ 6,920,607	13.5%
Interest and Impact Fees	44,607	36,306	66,172	61,796	70.2%
<b>Total Revenues</b>	<b>\$ 6,285,103</b>	<b>\$ 6,133,399</b>	<b>\$ 7,231,844</b>	<b>\$ 6,982,403</b>	<b>13.8%</b>
<b>Appropriations</b>					
Personal Services	\$ 3,456,471	\$ 3,915,475	\$ 3,917,970	\$ 4,260,210	8.8%
Operating	1,117,095	1,297,728	1,285,056	1,269,863	-2.1%
Capital and Other	39,704	-	42,000	23,000	0.0%
Transfer to Other Funds	-	555,000	625,000	118,480	-78.7%
Transfer to Fund Balance	1,671,833	365,196	1,361,818	1,310,850	258.9%
<b>Total Appropriations</b>	<b>\$ 6,285,103</b>	<b>\$ 6,133,399</b>	<b>\$ 7,231,844</b>	<b>\$ 6,982,403</b>	<b>13.8%</b>
<b>Departmental Appropriations</b>					
Inspections Department	\$ 3,655,611	\$ 3,943,432	\$ 4,019,816	\$ 4,302,267	9.1%
Fire Department	39,704	142,200	97,639	132,865	-6.6%
Nondepartmental Appropriations	2,589,788	2,047,767	3,114,389	2,547,271	24.4%
<b>Total Appropriations</b>	<b>\$ 6,285,103</b>	<b>\$ 6,133,399</b>	<b>\$ 7,231,844</b>	<b>\$ 6,982,403</b>	<b>13.8%</b>

## FUND DESCRIPTION

The Inspections Fund provides for support of the Inspections Department and other inspection related activities. This is a newly created fund effective October 1, 2015 based on House bill 255 approved by the General Assembly on July 13, 2015.

## REVENUE DESCRIPTIONS

Licenses and Permits – Revenues from building, electrical, plumbing, mechanical, and fire permits required by ordinance for development activity.

Interest and Impact Fees – Interest earned on the investment of the fund balance and 1% of impact fees collected.

Appropriation from Fund Balance – These include transfers from reserves each year to cover costs not covered by other sources.

## EXPENDITURE DESCRIPTIONS

Personal Services – All of the Inspections Department employees are accounted for in this area including costs for two Fire Inspectors within the Fire Department.

Operating – Major items include indirect costs, banking fees, voice over IP phone costs, transfers to OPEB and Risk funds.

Transfer to Other Funds - Funds are transferred to other funds to cover capital improvements, fleet vehicle replacement costs, and new vehicle acquisition costs.

Transfer to Fund Balance – Any surplus in the Fund is transferred to fund balance.

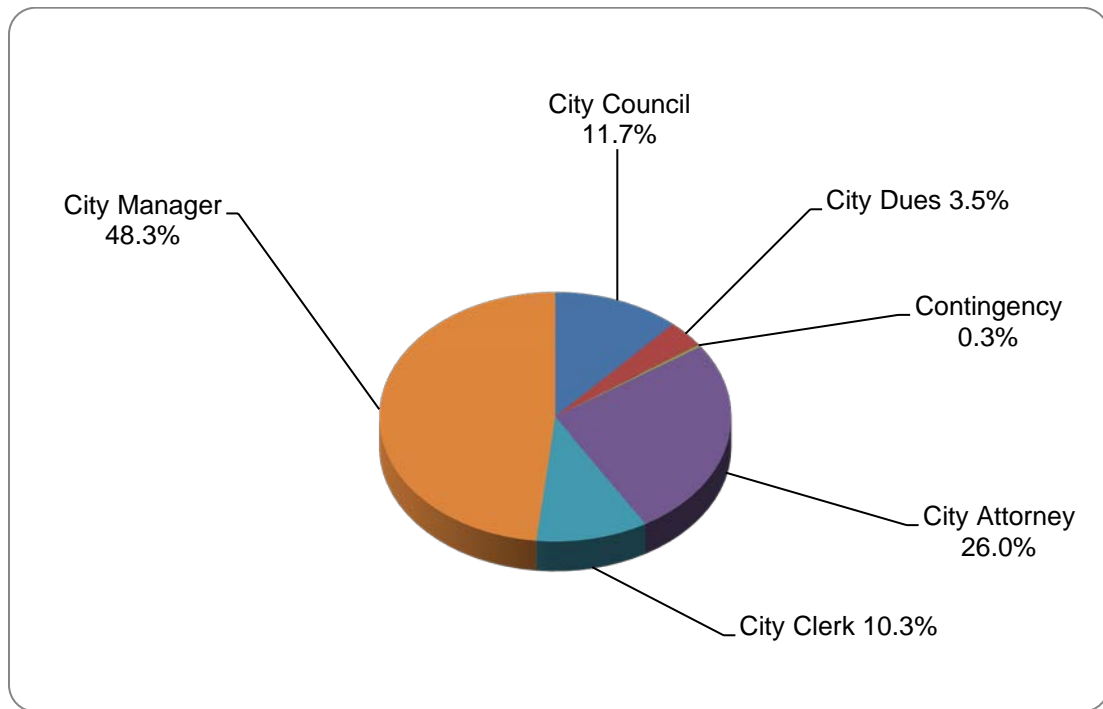
**GOVERNANCE  
BUDGET SUMMARY**

<b>General Fund</b>	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>	
<b>Appropriations</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>Change</b>
City Council	\$ 696,636	\$ 351,739	\$ 305,644	\$ 809,693	130.2%
RDU Airport Authority	12,500	12,500	12,500	12,500	0.0%
Mayor's Committee for Persons with Disabilities	132	-	-	-	0.0%
City Dues	240,255	244,712	244,712	253,339	3.5%
Sister Cities	7,044	10,000	10,000	10,300	3.0%
Contingency	-	18,000	18,000	18,000	0.0%
City Attorney	1,747,482	1,746,397	1,751,300	1,852,517	6.1%
City Clerk	639,971	704,476	676,309	733,343	4.1%
City Manager	3,225,979	3,307,532	3,644,597	3,513,878	6.2%
Legislative Program	25	-	505	-	0.0%
Pay Adjustments/Others	-	-	-	-	0.0%
<b>Total Appropriations</b>	<b>\$ 6,570,024</b>	<b>\$ 6,395,356</b>	<b>\$ 6,663,567</b>	<b>\$ 7,203,570</b>	<b>12.6%</b>
Full Time Equivalents	51	51	51	52	1.0
Part Time	8	8	8	8	-
<b>Revenues</b>					
General Fund					
Discretionary	\$ 6,558,297	\$ 6,386,556	\$ 6,651,367	\$ 7,126,170	11.6%
Program	11,727	8,800	12,200	77,400	779.5%
General Fund Subtotal	<b>\$ 6,570,024</b>	<b>\$ 6,395,356</b>	<b>\$ 6,663,567</b>	<b>\$ 7,203,570</b>	<b>11.5%</b>

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## GOVERNANCE

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## CITY COUNCIL

### Purpose Statement:

The Durham City Council is composed of the Mayor and six Council Members. The Council is elected to represent the citizens of Durham and to provide leadership as the City experiences growth and change.

### DEPARTMENT DESCRIPTION

**City Council:** **\$1,103,832**

As the legislative and policy making body for the City of Durham, the City Council provides direction to the City Manager and administration to implement programs and projects designed to improve the quality of life in the community.

### RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 238,906	\$ 242,671	\$ 242,671	\$ 240,405	-0.9%
Operating	457,730	109,068	62,973	569,288	422.0%
Capital and Other	-	-	-	-	0.0%
Subtotal Appropriations	\$ 696,636	\$ 351,739	\$ 305,644	\$ 809,693	130.2%
RDU Airport Authority	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	0.0%
Mayor's Committee for Persons with Disabilities	132	-	-	-	0.0%
City Dues	240,255	244,712	244,712	253,339	3.5%
Sister Cities	7,044	10,000	10,000	10,300	3.0%
Contingency	-	18,000	18,000	18,000	0.0%
Subtotal Nondepartmental	\$ 259,931	\$ 285,212	\$ 285,212	\$ 294,139	3.1%
Total Appropriations	\$ 956,567	\$ 636,951	\$ 590,856	\$ 1,103,832	73.3%
Full Time Equivalents	-	-	-	-	-
Part Time	7	7	7	7	-
Revenues					
Discretionary	\$ 956,567	\$ 636,951	\$ 590,856	\$ 1,103,832	73.3%
Program	-	-	-	-	0.0%
Total Revenues	\$ 956,567	\$ 636,951	\$ 590,856	\$ 1,103,832	73.3%

### BUDGET ISSUES FOR FY 2017-18

- Funds included for upcoming 2017 Municipal Election

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**ACCOMPLISHMENTS FOR FY 2016-17**

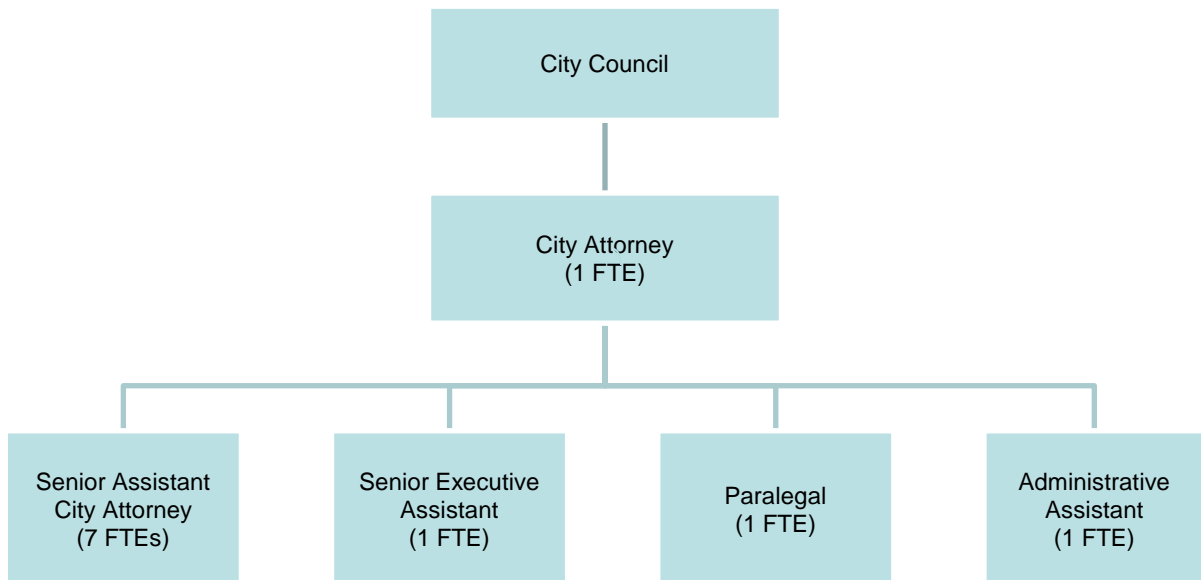
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- Deliberated and adopted annual budget for City operations
- Visited various communities during National Night Out
- Durham Holiday Parade
- Adopted City of Durham Legislative Agenda
- Body Worn Cameras contract approved
- Recommended MPO amend definition for local preferred D-O-L-R Project to include NCCU
- Letter of Support for funding plan for the D-O-L-R Transit Project
- Housing Authority's Grant Fund request approved
- Approved in concept the establishment of the Mayor's Women's Committee
- Jackson/Pettigrew Street Development Option 1
- Fire & Police Compensation & Classification Plan Recommendations approved
- State of City Address presented by Mayor
- Attended a series of Coffee with Council sessions to allow citizens an opportunity to provide feedback on budget priorities
- Considered and approved numerous UDO text amendments, rezoning and annexation requests
- Considered and approved city incentives for redevelopment
- Continued support for Mayor's Poverty Reduction Initiative
- Appointed citizens to boards, committees and commissions
- Various resolutions and ordinances adopted
- Proclamations issued recognizing matters of importance





# City Attorney (11 FTEs)



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## CITY ATTORNEY

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### Purpose Statement:

The mission of the City Attorney's Office is to provide superior quality legal advice and counsel in support of the various initiatives, projects, goals and objectives of the City Council and Administration, in a timely and efficient manner.

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### DEPARTMENT DESCRIPTION

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#### City Attorney's Office

**\$1,852,517**  
**11 FTEs**

The City Attorney's Office provides legal advice and representation to City Council, the City administration, and City boards and commissions for the wide variety and considerable volume of projects and activities undertaken by the City. Services include advice and consultation to Council, the City Manager's Office, and all departments; attendance and assistance at Council meetings and in select meetings of the City's boards and commissions; drafting and review of contracts; drafting and review of ordinances; assistance in preparation of bid documents and RFPs; negotiation, issue identification, and complex document drafting for major economic development projects; drafting deeds, easements, and contracts for sale or purchase of property; drafting interlocal agreements; legal analysis of new City programs or policies; and drafting a variety of documents related to affordable housing.

The office also assists staff in finalizing cases to be handled by the District Attorney's Office in Community Life Court for City Code violations; works with outside counsel in the collection of assessments; evaluates damage claims in conjunction with the City Manager, Risk Manager, and City insurance carriers; assists staff in formulating and enforcing civil remedies for violations of the City Code; and negotiates on behalf of the City in potential and actual claims involving contract disputes, development regulations, utility services, personnel and discrimination issues, and land acquisition. Litigation typically handled by the office includes planning and zoning actions, challenges to the legality of City programs, property condemnations, and personnel, tort, and contract cases. On limited occasions, particularly complex or extended litigation that is beyond the office's limited support services is contracted out. The office coordinates the retention of outside counsel for these cases, as well as for bond financings and some affordable housing and real estate matters.

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### RESOURCE ALLOCATION

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	Actual	Adopted	Estimated	Proposed	
	FY 2015-16	FY 2016-17	FY 2016-17	FY 2017-18	Change
Appropriations					
Personal Services	\$ 1,658,669	\$ 1,658,882	\$ 1,658,882	\$ 1,765,002	6.4%
Operating	88,813	87,515	92,418	87,515	0.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 1,747,482	\$ 1,746,397	\$ 1,751,300	\$ 1,852,517	6.1%
Full Time Equivalents	11	11	11	11	-
Part Time	1	1	1	1	-
Revenues					
Discretionary	\$ 1,747,482	\$ 1,746,397	\$ 1,751,300	\$ 1,852,517	6.1%
Program	-	-	-	-	0.0%
Total Revenues	\$ 1,747,482	\$ 1,746,397	\$ 1,751,300	\$ 1,852,517	6.1%

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**BUDGET ISSUES FOR FY 2017-18**

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- The office continues to handle a significant workload resulting from: the City's growth in general, high profile housing redevelopment ventures and in particular, the Southside redevelopment, an increase in unique and complex public-private contracts for economic development projects and utility construction and a recent upswing in police litigation. Such high profile, legally challenging and important projects will require the continued employment and retention of highly qualified professional staff. While no staffing changes are anticipated in this upcoming budget, a succession plan for the staff attorneys will be developed in FY 2018 that may have an impact on the FY 2019 office budget.

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**ACCOMPLISHMENTS FOR FY 2016-17**

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Legal support for the following projects and initiatives:

- Southside redevelopment Phase 2
- 2017 Legislative Program Initiatives
- Legal support for the Durham Innovation District
- Bond work and retention of bond counsel for bonds issued in FY 2014
- Ongoing Unified Development Ordinance revisions
- Management of street issues related to failing and struggling neighborhood developments
- Community Life Court and assessment collections
- Land acquisition and construction of the new Police Department headquarters building
- Residential construction adjacent to Durham Central Park Liberty Arts residential redevelopment including but not limited to 539 Foster St. and the Liberty Warehouse Apartments
- Review and revisions to temporary sign ordinance
- Provided legal support for the City's affordable housing projects, which average between 10 and 20 per year, and assistance in difficult issues involving the Rolling Hills/Southside project
- Reviewed and assisted with City stormwater comments on Jordan Lake and Falls Lake rules, and participation in the Upper Neuse River Basin Association.
- Fire Station 9 completion
- Automated on-street parking meter project
- Appeal of Sanitary Sewer Overflow assessments
- Review of City fee in response to Town of Carthage NC Supreme court ruling
- Provided review and assistance in evaluating between 70 and 100 claims of various types against the City
- Served as counsel or co-counsel in filed legal actions or administrative proceedings, including tort/negligence claims, personnel issues, and regulatory matters, successfully obtaining dismissals in a number of cases

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**ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

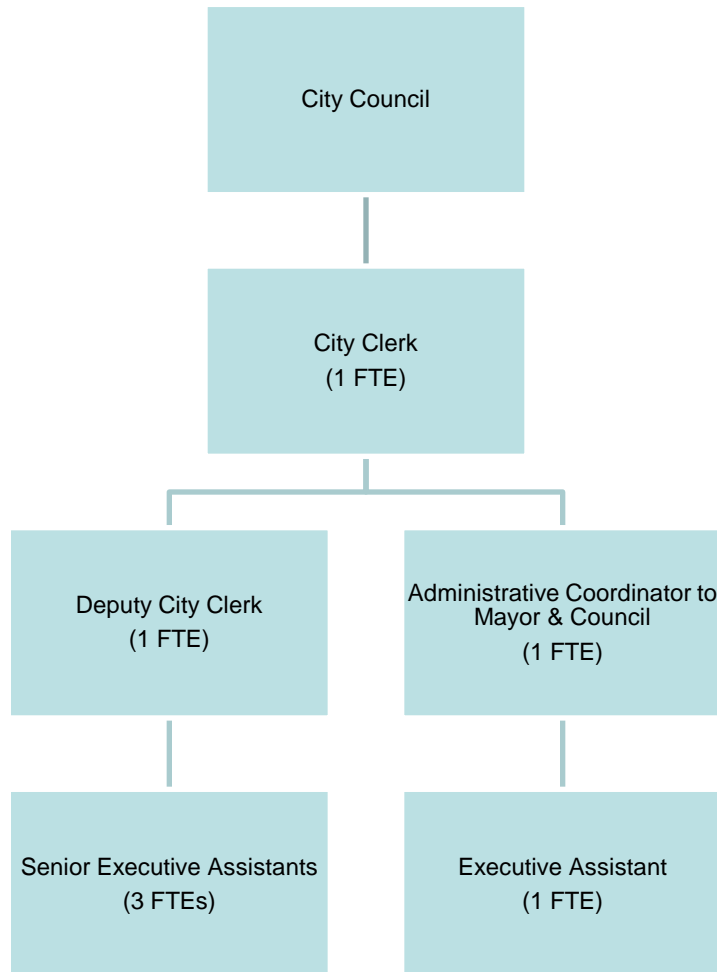
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- Legal support for the 2016 and 2017 legislative program
- Provide legal support and management of claims and lawsuits filed against the City
- Continue to support the City's Capital Improvement Program
- Continued legal support for the City's affordable housing projects
- Continued legal support for the Southside redevelopment initiative
- Continued legal support of major economic development projects
- Fayetteville Road realignment project
- Construction of Morgan Street parking deck
- Construction of Durham Police Department Headquarters



# City Clerk

(7 FTEs)



## CITY CLERK

### Purpose Statement:

To maintain and provide public records, accessible services, and assistance to the City Council, community and City departments in a courteous, timely, and cost effective manner.

### DEPARTMENT DESCRIPTION

#### City Clerk's Office

**\$733,343**  
**7 FTEs**

The department records all official actions of the Durham City Council, publicizes and processes vacancies for Council appointed boards, committees and commissions, provides proper notice for all meetings regulated by the North Carolina open meetings law, archives permanent records, executes contracts and other documents, issues cemetery deeds; coordinates codification of the Durham City Code, administers oaths of office, accepts public record requests, accepts claims against the City, and certifies documents for admissibility in court cases. The department also provides administrative support to the Mayor and the members of the City Council.

#### Records

Publicize meetings in accordance with the NC Open Meetings Law.

Attest City contracts and return to departments within a timely manner.

Execute and provide Council adopted documents to departments, prepare minutes for City Council meetings, archive permanent documents, process board applications, coordinates codification of Durham City Code, administers oaths of office, prepare cemetery deeds and provide public records to customers.

#### Administrative Support

Provide staff support for the Mayor and members of the City Council.

### RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 600,117	\$ 598,865	\$ 598,865	\$ 627,732	4.8%
Operating	39,854	105,611	77,444	105,611	0.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 639,971	\$ 704,476	\$ 676,309	\$ 733,343	4.1%
Full Time Equivalents	7	7	7	7	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 639,969	\$ 704,476	\$ 676,309	\$ 733,343	4.1%
Program	2	-	-	-	0.0%
Total Revenues	\$ 639,971	\$ 704,476	\$ 676,309	\$ 733,343	4.1%

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**DEPARTMENT PROGRAMS & PERFORMANCE MEASURES**

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<b>Program:</b>	Records			<b>General Fund:</b>	<b>\$528,007</b>
				<b>FTEs:</b>	<b>5</b>
<b>Goal:</b>	Innovative and High Performing Organization				
<b>Objective:</b>	To provide proper notice for all public meetings in accordance with the North Carolina Open Meetings Law.				
<b>Initiative:</b>	Communicate with city departments to ensure public notification of meetings.				
<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>	
% of Meetings proper notice provided at least 48 hours in advance	99%	100%	100%	100%	
<b>Objective:</b>	To attest & return contracts to departments within a timely manner.				
<b>Initiative:</b>	City Clerk & staff member will manage & follow-up on process.				
<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>	
% of Contracts attested & returned to dept. within three days of receipt	99%	99%	99%	99%	
<b>Objective:</b>	To execute and provide council adopted documents to departments within a timely manner.				
<b>Initiative:</b>	Staff member will monitor and provide update to City Clerk.				
<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>	
% of Resolutions / Ordinances made available to departments within four days of council approval	99%	99%	99%	99%	
<b>Objective:</b>	To prepare agenda items to ensure appointments to boards, committees & commissions are made by Council in a timely manner.				
<b>Initiative:</b>	Staff member will manage and report status to City Clerk.				
<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>	
% of Reappointments prior to term expiring	55%	80%	85%	85%	
# of New applicants appointed to boards and commissions	35	40	35	35	
<b>Objective:</b>	To attend meetings and prepare City Council minutes.				
<b>Initiative:</b>	Monthly monitoring of process by City Clerk and Deputy City Clerk.				
<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>	
% of Minutes prepared within 14 days	83%	85%	85%	85%	

<b>Program:</b>	Administrative Support		<b>General Fund:</b>	<b>\$205,336</b>
			<b>FTEs:</b>	<b>2</b>
<b>Goal:</b>	Innovative and High Performing Organization			
<b>Objective:</b>	To provide administrative support to Mayor & Members of the City Council.			
<b>Initiative:</b>	Prepare written communications; travel requests and prompt customer service.			
<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of Resident service requests referred to manager's office within 2 business days	100%	100%	100%	100%

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#### BUDGET ISSUES FOR FY 2017-18

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- None at this time

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#### ACCOMPLISHMENTS FOR FY 2016-17

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- Participated with *City Hall on the Go*
- Assisted Public Affairs DTV8 staff with selecting voting system for Council Chambers
- Held meeting with staff of N.C. Department of Cultural Resources/Division of Records Management
- Presented proposal to TS Governance/Steering Committee for consideration of software for boards, committees & commissions
- Attended meetings and prepared City Council Minutes
- Submitted boards, committees & commissions appointments to Secretary of State by September 1, 2016
- Provided proper notice of meetings in accordance with NC Opens Meetings Law
- Assured timely attestation for city contracts and other city documents
- Maintained official records; researched & provided numerous public record requests to customers
- Provided adopted ordinances and resolutions to city departments within a timely manner
- Assisted City Manager's Office with agenda process
- Published video/audio of City Council meetings to web within 24 hours of meeting

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#### ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18

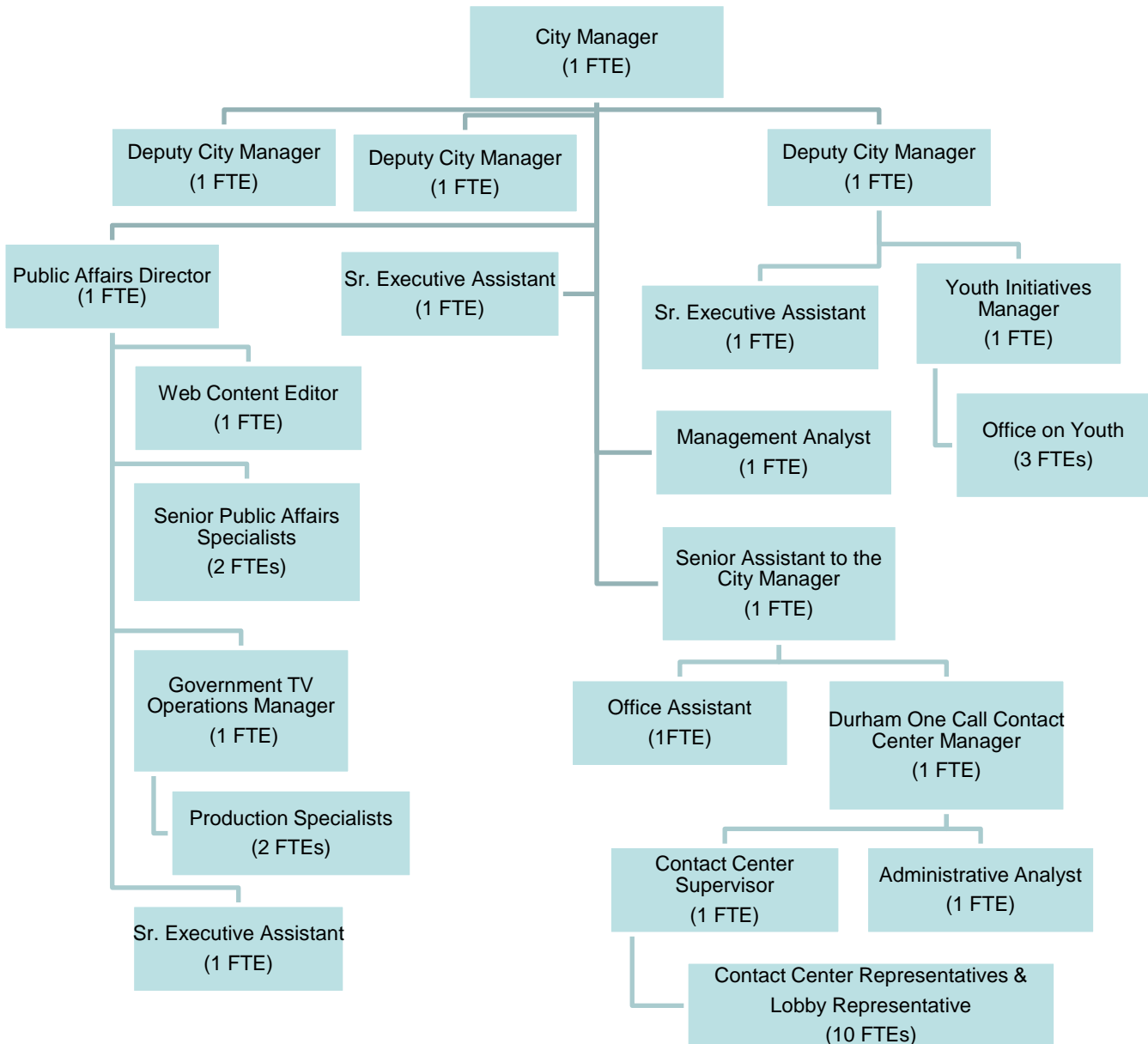
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- Completion of software upgrade for encoders
- Obtain assistance from City Attorney's Office and TS Department for input on Scanning Policy
- Continue to provide proper notice of meetings in accordance with NC Opens Meetings Law
- Continue to attend meetings and prepare City Council Minutes
- Submit boards, committees & commissions appointments to NC Secretary of State as required
- Continue to provide administrative support to the Mayor and Members of the City Council
- Continue publishing video/audio of City Council meetings to web within 24 hours of meeting
- Continue assisting with paperless agenda process
- Continue to maintain official records and provide public records to customers



# City Manager's Office

(34 FTEs)





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## CITY MANAGER

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### **Purpose Statement:**

The City Manager's Office implements policies and programs adopted by the Durham City Council and provides professional policy recommendations. The office provides leadership and overall direction for the City government and encourages employees to achieve the highest standards of efficiency, effectiveness, ethics and community involvement. The Office increases public awareness and understanding of Durham City government by developing, supporting and managing effective communications regarding City services and events. The Office fosters communication and develops partnerships to actively engage and benefit local youth. The Office also responds to inquiries from Durham citizens, businesses and its visitors and is responsible for overall customer service.

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### DEPARTMENT DESCRIPTION

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#### **City Manager's Office**

**\$3,513,878**  
**34 FTEs**

#### **Administration**

Administration provides executive management and oversight to all City departments. The City Manager is the City's Chief Administrative Officer. Administration coordinates the agenda process for City Council action, develops the legislative programs, develops and executes the annual departmental budget, and is responsible for leadership development and continuous learning opportunities for employees.

#### **Public Affairs**

The Public Affairs Office directs and supports the City's communications efforts to Durham citizens through proactive and responsive activities, including media relations, publications, advertising, special events, website content management and government television.

#### **Durham One Call**

Durham One Call is the central point of contact for residents, businesses and visitors. Durham One Call provides a high level of service in English and Spanish for customer inquiries and requests for service via telephone, email, voicemail, and in person at the City Hall lobby desk. Durham One Call is also available 24 hours a day 7 days a week via the City's website and smartphone application.

#### **Office on Youth**

The Office on Youth advocates for and develops strategies to engage youth throughout the City. The Office is responsible for developing partnerships and programs to enhance the well-being of youth. The Office promotes active participation of young people in the planning and decision making processes within the City of Durham.

## RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 2,860,118	\$ 2,899,938	\$ 2,914,642	\$ 3,130,362	7.9%
Operating	365,861	407,594	729,955	383,516	-5.9%
Capital and Other	-	-	-	-	0.0%
Subtotal Appropriations	\$ 3,225,979	\$ 3,307,532	\$ 3,644,597	\$ 3,513,878	6.2%
Nondepartmental					
Legislative Program	\$ 25	\$ -	\$ 505	\$ -	0.0%
Subtotal Nondepartmental	\$ 25	\$ -	\$ 505	\$ -	0.0%
Total Appropriations	\$ 3,226,004	\$ 3,307,532	\$ 3,645,102	\$ 3,513,878	6.2%
Full Time Equivalents	33	33	33	34	1.0
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 3,214,279	\$ 3,298,732	\$ 3,632,902	\$ 3,436,478	4.2%
Program	11,725	8,800	12,200	77,400	779.5%
Total Revenues	\$ 3,226,004	\$ 3,307,532	\$ 3,645,102	\$ 3,513,878	6.2%

## DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

**Program:** Public Affairs

**General Fund:** \$732,214  
**FTEs:** 8

**Goal:** Innovative & High Performing Organization

**Objective:** To inform and engage employees and city residents through a variety of media to increase awareness of City objectives and activities.

**Initiative:** Produce timely and effective communications through City and mainstream media to increase transparency of City programs, services and other efforts.

Measures:	Actual FY16	Adopted FY 17	Estimated FY 17	Proposed FY 18
# of Subscribers to E-Newsletter	1,087	1,102	1,200	1,320
% of Residents satisfied with availability of information about City programs or services	61%	65%	53%	65%
# of Engaged users on Citywide social media accounts	78,555	71,633	84,000	92,400

<b>Program:</b>	Administration	<b>General Fund:</b>	<b>\$1,570,043</b>
		<b>FTEs:</b>	<b>9</b>

**Goal:** Innovative & High Performing Organization

**Objective:** To be good stewards of the City's money and sustain sound financial position 100% of the time.

**Objective:** To continuously improve the citizenship experience in the City of Durham.

**Objective:** To provide an organizational climate for employees that will support excellent service delivery.

**Initiative:** Expand employee training and development and enhance organizational communication.

	<b>Actual FY16</b>	<b>Adopted FY 17</b>	<b>Estimated FY 17</b>	<b>Proposed FY 18</b>
<b>Measures:</b>				
% of Residents satisfied with public involvement in local decisions	41%	50%	34%	50%
Customer Service satisfaction	61%	68%	58%	68%
% of Residents satisfied with value from taxes	38%	40%	35%	40%

<b>Program:</b>	Durham One Call	<b>General Fund:</b>	<b>\$824,363</b>
		<b>FTEs:</b>	<b>13</b>

**Goal:** Innovative & High Performing Organization

**Objective:** To be the City's entry point for residents, businesses, and visitors, delighting the customer by providing exceptional service to external and internal customers.

**Objective:** To promote collaboration and increase efficiency between City departments.

**Initiative:** Promote increased customer engagement and satisfaction with the City of Durham.

	<b>Actual FY16</b>	<b>Adopted FY 17</b>	<b>Estimated FY 17</b>	<b>Proposed FY 18</b>
<b>Measures:</b>				
% Customer satisfaction with Durham One Call service delivery	99%	95%	98%	95%
Average hold time before answer (in seconds)	108	60	145	60
Call abandonment rate	11%	8%	20%	8%

<b>Program:</b>	Office on Youth	<b>General Fund:</b>	<b>\$387,258</b>
		<b>FTEs:</b>	<b>4</b>
<b>Goal:</b>	Strong and Diverse Economy - Maintain and grow a strong and diverse economy through a variety of businesses, industries and employment opportunities for the community.		
<b>Objective:</b>	To increase the number of teens participating in teen programs in order to foster and encourage teen managed activities through which teens can develop leadership qualities and interpersonal skills within the center, as well as the broader community.		
<b>Initiative:</b>	At least twice a month, teens will be given the opportunity to participate in topics of discussion focusing on specific areas provided by local trained professionals.		

	<b>Actual FY16</b>	<b>Adopted FY 17</b>	<b>Estimated FY 17</b>	<b>Proposed FY 18</b>
<b>Measure:</b>				
% of Satisfied Teen Center participants	91%	95%	95%	95%

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#### **BUDGET ISSUES FOR FY 2017-2018**

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- None

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#### **ACCOMPLISHMENTS FOR FY 2017-2018**

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- Developed new External Communications and Internal Communications teams to help better coordinate communication with the public across the City.
- Provided initial review and ongoing coordination of the City's response to the 2017 Resident Satisfaction Survey results.
- Initiated recruitment processes for new department directors in the City/County Planning Department and the Office of Economic & Workforce Development.
- Continued to cultivate public engagement through social media, including the development of a new "Bull City Today" daily video segment specifically designed for social media.
- Updated initiatives in the department's Strategic Plan and moved departmental performance measures into the dataHUB system to provide improved analysis and accountability.
- Revised the Agenda Manual to assist departments in preparing agenda items for City Council meetings, which will enhance transparency and accountability for the public.
- Sponsored a Management Internship for summer 2016 to help develop future local government professionals and to provide needed analytical support.

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#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-2018**

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- Implement Virtual Hold Technology to provide enhanced customer service for Durham One Call callers experiencing long wait times.
- Continue providing increasingly effective social media engagement with residents and community members.
- Provide enhanced customer service for Durham One Call requests through post-call surveys and quality control monitoring of call recordings.
- Respond to the results of the 2016-2017 Employee Satisfaction Survey with targeted action planning and communication to promote increased employee engagement with City management.
- Revise the Graphics Standards Manual & Style Guide to ensure that all City communications are clear for the public and appropriately represent the City.
- Replace video and audio production equipment for Durham Information Network to ensure that City Council meetings and important City news continue to be widely accessible to the public.
- Hire a new joint City-County Youth Initiatives Manager to help facilitate better coordination, assess outcomes and provide support for City and County-supported youth programs.

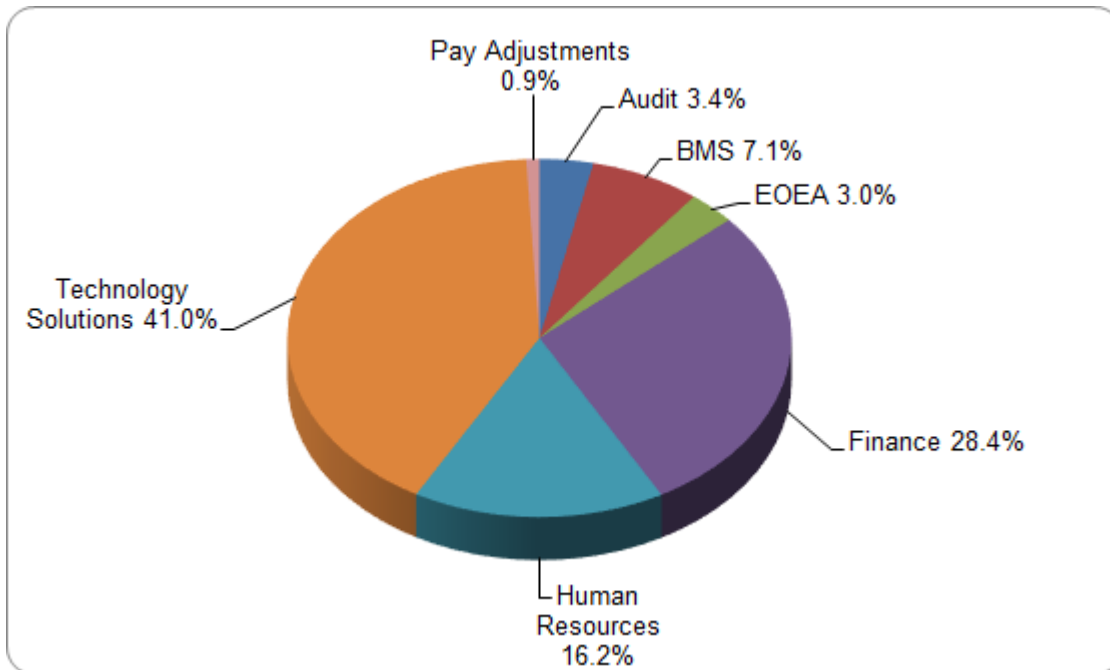
**ADMINISTRATIVE AND SUPPORT  
BUDGET SUMMARY**

	<b>Actual FY 2015-16</b>	<b>Adopted FY 2016-17</b>	<b>Estimated FY 2016-17</b>	<b>Proposed FY 2017-18</b>	<b>Change</b>
<b>Non-Grant Appropriations</b>					
Audit Services	\$ 572,969	\$ 587,154	\$ 597,057	\$ 613,850	4.5%
Budget and Management Services	1,238,857	1,248,633	1,245,504	1,262,427	1.1%
Equal Opportunity and Equity Assurance	547,848	557,420	568,280	541,105	-2.9%
Mayor's Committee for Disabled	3,706	5,500	2,910	5,000	-9.1%
Finance	4,704,842	5,317,138	5,364,321	5,068,935	-4.7%
Human Resources	2,208,570	2,655,376	3,000,453	2,698,468	1.6%
Flex Reimbursement	30,000	85,000	85,000	85,000	0.0%
Unemployment Compensation	104,344	100,000	100,000	100,000	0.0%
Technology Solutions	6,245,998	6,558,012	6,982,554	7,319,631	11.6%
Pay Adjustments/Others	269,495	150,802	268,783	150,802	0.0%
Transfers to Other Funds	48,719	-	-	-	0.0%
<b>Total Appropriations</b>	<b>\$ 15,975,348</b>	<b>\$ 17,265,035</b>	<b>\$ 18,214,862</b>	<b>\$ 17,845,218</b>	<b>3.4%</b>
Full Time Equivalents	131	128	128	126	(2)
Part Time	3	2	2	3	1
<b>Revenues</b>					
General Fund					
Discretionary	\$ 14,405,585	\$ 15,480,876	\$ 16,415,035	\$ 16,060,230	3.7%
Program	758,905	778,078	796,008	914,056	17.5%
General Fund Subtotal	\$ 15,164,490	\$ 16,258,954	\$ 17,211,043	\$ 16,974,286	4.4%
Water and Sewer Fund	168,957	211,112	208,850	71,798	-66.0%
Risk Claims Fund	554,735	707,942	707,942	709,410	0.2%
Employee Insurance Fund	87,166	87,027	87,027	89,724	3.1%
<b>Total Revenues</b>	<b>\$ 15,975,348</b>	<b>\$ 17,265,035</b>	<b>\$ 18,214,862</b>	<b>\$ 17,845,218</b>	<b>3.4%</b>

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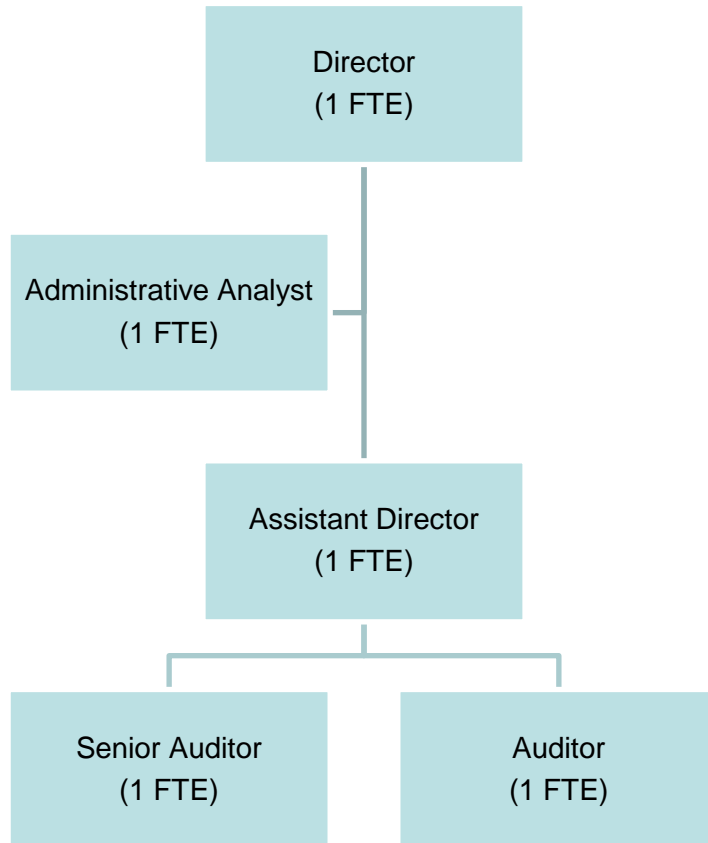
## ADMINISTRATIVE AND SUPPORT

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# Audit Services (5 FTEs)



## AUDIT SERVICES

### Purpose Statement

To provide independent, objective assurance and investigative services.

### DEPARTMENT DESCRIPTION

#### Audit Services

**\$ 613,850**  
**5 FTEs**

Auditing is an independent appraisal function designed to examine and evaluate activities within the City as a service to management, the Audit Services Oversight Committee, and elected officials. Auditing provides assurance that internal controls are adequate to minimize risks and add value through effective and efficient operations. External entities are also subject to review to determine whether revenues have been properly remitted to the City, and whether grant or pass-through funds are appropriately utilized. This department supports Goal 4 – Innovative and High Performing Organization.

The Audit Services Department conducts compliance and performance audits, non-audit services (e.g. participation in: the Departmental Strategic Plan; outside Peer Review teams; Fraud, Waste and Abuse examinations; and the New Employee Training-Ethics component) and performs special reviews. The Department is responsible for administration of the external audit contract as well as obtaining an external peer review of the Department's activities. The Department maintains a confidential Fraud, Waste, and Abuse tip Hotline to help ensure fiscal responsibility and accountability throughout the organization.

#### Audit Program

This Program provides independent assurance that internal controls are adequate to minimize risks and safeguard City assets. Departmental management assigned to this Program organize human and capital resources through planning, leading, staffing and controlling activities; and they serve as project manager for the City-wide financial audit including administration of the contract and RFP process.

#### Fraud, Waste and Abuse

This Program promotes an anonymous means to detect, deter and prevent fraud, waste or abuse in conjunction with ensuring on a daily basis, that the City's ethical culture is underpinned with sound best practices (e.g. regular training of the Ethics Policies)..

### RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18
Appropriations				
Personal Services	\$ 461,972	\$ 488,626	\$ 492,825	\$ 508,150
Operating	110,997	98,528	104,232	105,700
Capital and Other	-	-	-	-
Total Appropriations	\$ 572,969	\$ 587,154	\$ 597,057	\$ 613,850
Full Time Equivalents	5	5	5	5
Part Time	-	-	-	-
Revenues				
Discretionary	\$ 572,969	\$ 587,154	\$ 597,057	\$ 613,850
Program	-	-	-	-
Total Revenues	\$ 572,969	\$ 587,154	\$ 597,057	\$ 613,850



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**DEPARTMENT PROGRAMS & PERFORMANCE MEASURES**

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**Program:**    **Audit Program**

**General Fund:   \$429,695**

**FTEs:    3.5**

**Goal:**            Innovative and High Performing Organization

**Objective:**    To improve efficiencies and effectiveness in City operations through audit engagements

**Initiative:**    Determine what critical processes exist at the City and identify the risks associated with those processes. Utilize this schema for internal training and for the development of a more comprehensive risk assessment that supports the annual audit plan.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Comprehensive audits completed	10	10	10	10
% of recommendations accepted by management	100%	100%	100%	100%
# Audits/Reports completed during the year per FTE	4	4	4	4
% of recommendations completed by the initial agreed upon time frame	N/A	N/A	N/A	90%
# of CPE hours completed by the staff	160	160	160	160
% of Audit staff achieving professional certification	75%	100%	100%	100%

**Goal:**            Innovative and High Performing Organization

**Objective:**    To increase overall communication of audit activities

**Initiative:**    Implement outreach and visit City departments and discuss audit plan ideas

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
% of audits on the Annual Audit Plan that resulted from the department's outreach program	N/A	N/A	N/A	50%
% of Active Strategic Plan initiatives meeting target implementation timeline	87%	100%	100%	80%

**Goal:**            Innovative and High Performing Organization

**Objective:**    To improve efficiencies and effectiveness in City operations through audit engagements

**Initiative:**    Develop a scale to assess value added to the City

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# of findings that were mapped to the value-added categories: risk reduction, compliance, increased productivity, and cost reduction	N/A	N/A	N/A	50%

**Program:**    **Fraud, Waste and Abuse** **General Fund:**   **\$184,155**  
**FTEs:**   **1.5**

**Goal:**        Innovative and High Performing Organization

**Objective:**    To reduce fraud, waste and abuse at the City

**Initiative:**    Develop a process to track the number of employees who have completed mandatory ethics training within 30 days of hire.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of employees who completed Ethics Training	98%	98%	98%	100%

**Goal:**        Innovative and High Performing Organization

**Objective:**    To reduce fraud, waste and abuse

**Initiative:**    Develop a culture of integrity by conducting activities such as City wide ethics training, internal controls training and hosting fraud awareness activities to keep the expectation of ethical excellence in the minds of City employees.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of Fraud Hotline tip allegations commenced within 48 hours of receipt	100%	100%	100%	100%
<i># of Fraud, waste and abuse allegations investigated</i>	23	19	19	19
% of Fraud Hotline tips substantiated	40%	40%	21%	40%

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#### BUDGET ISSUES FOR FY 2017-18

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- The external auditor contract will increase 3% for FY 2017-18.

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#### ACCOMPLISHMENTS FOR FY 2016-17

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- Conducted mandatory Ethics Training for 98% of new full and part-time City staff through February 2017.
- Envisioned and developed a space to foster creativity and innovation in the department
- Completed installation of Departmental Strategic Plan in the new dataHub portal.

- Held a fraud prevention awareness week of activities during Internal Audit Week; showcased a fraud museum, ending with Beth Wood (State Auditor) as the keynote event speaker for the symposium.
- Volunteered at the City/County Habitat for Humanity House and contributed through the Seven Stars campaign, \$595 to the charity "Families Moving Forward".
- Utilized the ACL software application, Benford's Law, and computer aided audit techniques to better assess risks during audit engagements.
- Obtained a total of 160 hours of required continuing professional education in the department including ethics training for the professional staff.
- One staff completed/passed the CGAP exam and one passed the CFE certification. These certifications focus on skills that enhance critical thinking to drive best business practices through decision modeling tools as well as enterprise risk management assessment tools.
- Monitored the Fraud, Waste and Abuse hotline; examined 14 allegations and referred 7 to departments.
- Participated in City College, providing employees a general overview of the Audit Services Department.
- Participated as members of the Yellow Book Peer Review Team for the City of Charlotte
- Taught 12 sessions of the Ethics component of New Employee Orientation training.
- Completed the Racial Equity training sponsored jointly by the City and County of Durham
- Completed three (3) departmental newsletters that highlighted audit engagement results and fraud, waste and abuse awareness.
- Carried out an initiative to advance the accomplishment of the department's WIG.
- Submitted an audit to the Association of Local Government's Knighton Award.
- Published two articles in the Association of Local Government Quarterly Journal.
- Developed and presented at a webinar for one professional association. The webinar was titled: DEVA (Dependent Eligibility Verification Audit): A Case Study at the City of Durham.
- Achieved full staffing with the filling of the Administrative Analyst position.

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#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

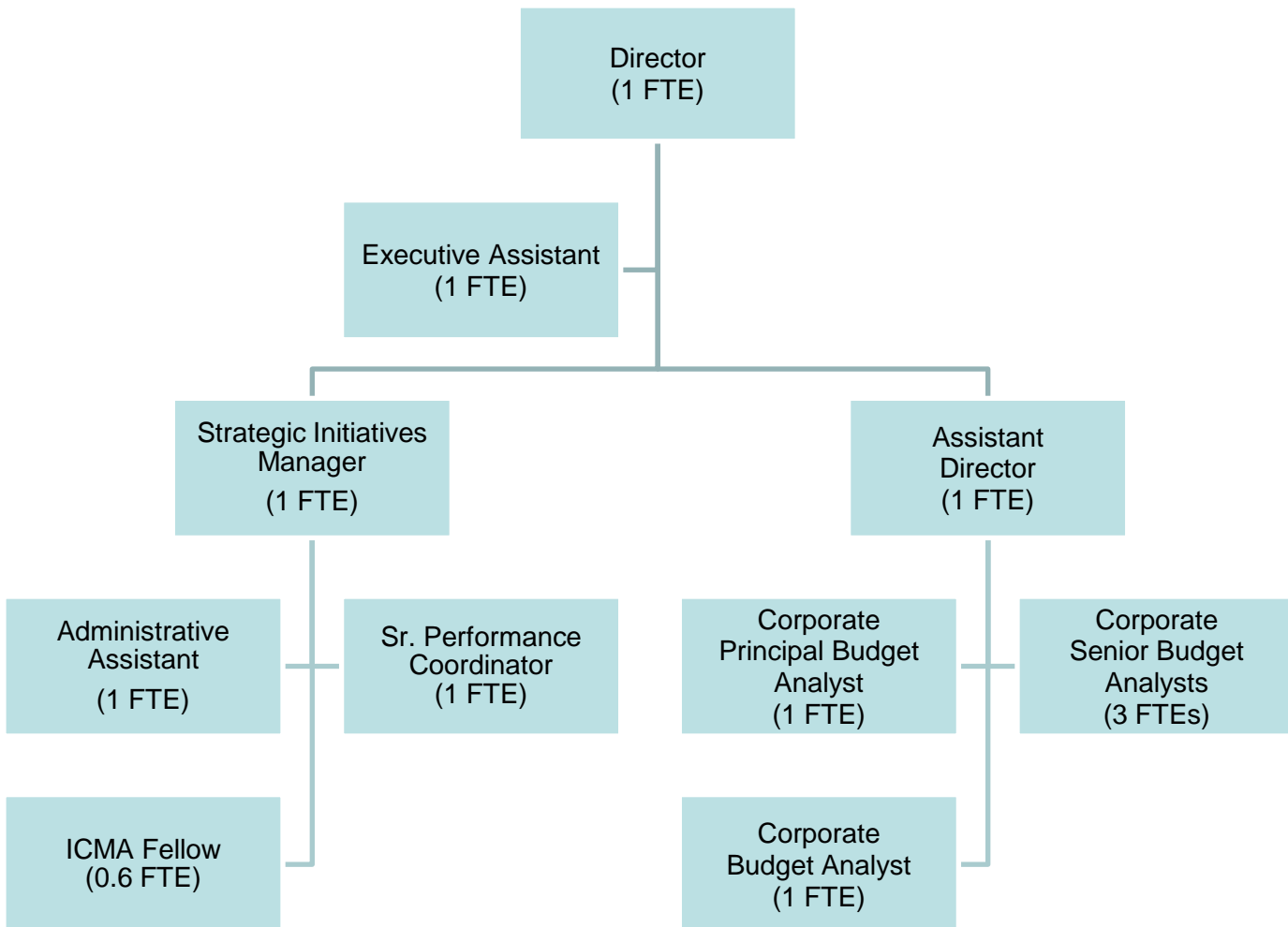
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- Implement new initiatives and measures for the Departmental Strategic Plan.
- Evaluate and continue to develop specific training, career development and certification plans for Audit staff.
- Continuously research best practices to complement and augment the risk-based audit work plan process.
- Produce a quarterly newsletter that will provide "best practices" of specific targeted control issues, and update the community on fraud, waste and abuse issues.
- Participate in City College to provide a general overview to employees of the Audit Services Department.
- Participate in the building of a Habitat for Humanity house; and volunteer to help positively impact the Mayor's Poverty Initiative in Durham.
- Develop and implement strategies to improve employee satisfaction within the department by using results from the Employee Satisfaction Survey to impact positive change.
- Implementation of wildly important goal (WIG) developed in conjunction with Executive Leadership Academy coaching.
- Obtain required CPE training to maintain professional proficiency in the areas of performance auditing and fraud, waste and abuse examinations.
- Develop and deliver a professional training for ALGA or IIA.



# Budget & Management Services

(11 FTEs)



## BUDGET AND MANAGEMENT SERVICES

### Purpose Statement:

To inform decision making, align resources with organizational priorities, and improve the performance of employees and processes.

### DEPARTMENT DESCRIPTION

#### Budget and Management Services

**\$1,262,427**

**11 FTEs**

The department is primarily responsible for the development and oversight of the City's annual budget and Capital Improvement Program (CIP). The department is also responsible for performance management and strategic planning. The department provides policy and management analysis to support decision making. The department primarily supports two Strategic Plan goals: Innovative and High Performing Organization and Stewardship of the City's Physical and Environmental Assets.

Other departmental responsibilities include training and support for the MUNIS / ERP budgeting module, process improvements, and participation in downtown and neighborhood economic strategies. Overall, the department is focusing on furthering the goal of transparency and accountability with its operations and communications and enhancing citizen and employee engagement.

#### Administration

Administration provides leadership and administrative support both within the department and throughout the City government.

#### Annual Budget and Capital Improvement Program (CIP) Development, Monitoring and Reporting

This program provides for the development and oversight of the City's annual budget and CIP. Also, supports the Citizen Capital Improvement Panel (CCIP) and CIP project website.

#### Office of Performance and Innovation

Maintains the Citywide Strategic Plan and provides support in the development of departmental strategic plans, to translate the City's vision and goals into a comprehensive plan which aligns the actions and tasks of all departments within the City of Durham's goals. Also serves as the administrative owner of the performance management system and will support departments through management consulting, measurement identification, data analysis, performance reporting, training, and coaching. Provides oversight of the annual resident opinion survey.

### RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18
Appropriations				
Personal Services	\$ 1,144,651	\$ 1,150,654	\$ 1,142,330	\$ 1,159,727
Operating	94,206	97,979	103,174	102,700
Capital and Other	-	-	-	-
Total Appropriations	\$ 1,238,857	\$ 1,248,633	\$ 1,245,504	\$ 1,262,427
Full Time Equivalents	12	11	11	11
Part Time	1	1	1	1
Revenues				
Discretionary	\$ 1,238,857	\$ 1,248,633	\$ 1,245,504	\$ 1,262,427
Program	-	-	-	-
Total Revenues	\$ 1,238,857	\$ 1,248,633	\$ 1,245,504	\$ 1,262,427

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**DEPARTMENT PROGRAMS & PERFORMANCE MEASURES**

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**Program:** Annual Budget Development, Monitoring and Reporting **General Fund:** \$764,165  
**FTEs:** 6.0

**Goal:** Innovative and High Performing Organization  
**Objective:** To provide a budget document that meets the program criteria of the Government Finance Officers Association (GFOA) and serves as a policy document, operations guide, and financial plan for the City.

**Initiative:** Develop a budget document that qualifies for GFOA Distinguished Budget Presentation Award.

	<b>Actual FY 16</b>	<b>Adopted FY 17</b>	<b>Estimated FY 17</b>	<b>Proposed FY 18</b>
<b>Measure:</b> Received GFOA distinguished budget award	YES	YES	YES	YES

**Objective:** To project General Fund discretionary revenues to within 1% of actual revenues received.

**Initiative:** Develop revenue estimates based on information obtained from other city departments, state agencies, and the Durham County Tax Office.

	<b>Actual FY 16</b>	<b>Adopted FY 17</b>	<b>Estimated FY 17</b>	<b>Proposed FY 18</b>
<b>Measure:</b> % accuracy of discretionary General Fund revenue projection	1.6%	±1.0%	1.29%	±1.0%

**Objective:** To provide timely and accurate reports to update the City Manager and City Council on the City's current and future financial position and to support decision making.

**Initiative:** Present quarterly financial reports to the City Manager and City Council and post reports on the City's internet.

	<b>Actual FY 16</b>	<b>Adopted FY 17</b>	<b>Estimated FY 17</b>	<b>Proposed FY 18</b>
<b>Measure:</b> % of reports issued on schedule	100%	100%	100%	100%

**Objective:** To project City department budgets and fund budgets at or below budget.

**Initiative:** Provide monthly reconciliations of City budgets, and work with departments to ensure that revenues and expenditures are monitored and accurately forecasted.

	<b>Actual FY 16</b>	<b>Adopted FY 17</b>	<b>Estimated FY 17</b>	<b>Proposed FY 18</b>
<b>Measure:</b> % of departments at or below net funding	100%	100%	100%	100%

**Program:** Annual Capital Improvement Program Development, Monitoring and Reporting **General Fund:** \$82,070  
**FTEs:** 1.0

**Goal:** Stewardship of City's Capital Assets  
**Objective:** To invest in public infrastructure.

**Initiative:** Manage decision-making process and information that allows for strategic investment in infrastructure.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 17</b>	<b>FY 18</b>
% of planned CIP projects vs. reactive projects	55%	80%	92%	80%
% dollar value of GF CIP approved projects versus requested	87%	60%	74%	60%

**Program:** Office of Performance and Innovation **General Fund:** \$367,419  
**FTEs:** 3.0

**Goal:** Innovative and High Performing Organization  
**Objective:** Foster a culture of continuous improvement to promote operational efficiencies and deliver the best outcomes for residents

**Initiative:** To develop revised strategy for process improvements.

**Initiative:** Establish multidisciplinary City/County Innovation Lab to support the transformation of ideas into solutions

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 17</b>	<b>FY 18</b>
# of process improvement initiatives completed	0	1	3	3
% of attendees rating the concepts taught in Durham City-County IdeaLab as helpful or very helpful in increasing their ability to innovate in their line of work	N/A	90%	90%	92%

**Objective:** Engage in Continuous Process Improvements.

**Initiative:** Ensure implementation of all department strategic plan initiatives.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 17</b>	<b>FY 18</b>
% accuracy of city-wide Strategic Plan measures per Annual Audit	95%	95%	90%	95%

# of departments with Strategic Plans	21	22	22	23
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**Program:** Administration **General Fund:** \$48,773  
**FTEs:** 1.0

**Goal:** Innovative and High Performing Organization

**Objective:** Ensure effective internal and external communication/satisfaction.

**Initiative:** Improve communication and satisfaction with external customers (City Departments).  
Evaluate the level of effectiveness of various means of internal communication.  
Implement communication strategies identified as most effective.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 17</b>	<b>FY 18</b>
Department satisfaction ratings of the annual budget process	85%	83%	86%	83%

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#### BUDGET ISSUES FOR FY 2017-18

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- Continued development and implementation of departmental strategic plans.
- Continued development of departmental performance measures.
- Continued refinement of the Program Based Analysis Process.
- Continuation of the annual Joint City-County Resident Survey.
- Continued refinement of Internal Innovation fund and development of an "Idea Starter" structure.
- Implementation of a City-wide performance measurement and monitoring system.
- Improvements in the monitoring of strategic plan objectives, measures, and initiatives.
- Integrate lessons learned from Bloomberg Philanthropies What Works Cities Initiative in performance analytics and open data.
- Implementation of the Durham Innovation Team funded by Bloomberg Philanthropies Innovation Team grant of \$1.5M over three years.

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#### ACCOMPLISHMENTS FOR FY 2016-17

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- Granted the Distinguished Budget Document award for the FY2015-16 budget from the Government Finance Officers Association. This is the 27th consecutive year that the City has received this award.
- Staffed the Citizen's Capital Improvement Panel (CCIP) Advisory Committee for the 14<sup>th</sup> year to enhance citizen participation in the prioritization and oversight of capital needs, as well as an Internal CIP Advisory Committee to improve coordination of capital projects within the City.
- Coordinated five Coffees with Council, a citywide PAC meeting, internet engagement activities, and two public hearings in an effort to solicit feedback from Durham residents and City employees on budget priorities for the upcoming fiscal year.
- Maintained a website for citizens and City staff to track annexation requests and further the goal of enhanced communications.
- Processed 17 voluntary annexation petitions.
- Developed and presented the City Manager's recommended annual budget for FY2016-17 and the Capital Improvement Plan for FY2016-21 on May 16, 2016.
- Posted the FY2016-17 final budget document to the City web site on June 30, 2016, and distributed thereafter.
- Maintained the CIP website to enable citizens to track the progress of capital improvement projects.



- Provided quarterly financial updates to the City Manager and Council. Proactively evaluated the fiscal impact of economic challenges, particularly with respect to revenues and development activity, and proposed effective financial strategies to prevent overspending and ensure a balanced FY2016-17 budget.
- Coordinated implementation of the FY2017 annual joint City-County resident survey.
- Created and maintained a strategic plan dashboard for citizens and City staff to track progress on objectives, measures and initiatives and to obtain general information about the City's Strategic Plan.
- Reassessed the process improvement program to align with current resources.
- Continued coordination and oversight of the departmental Strategic Planning process.
- Led a cross-departmental team as part of Alliance for Innovation's "Innovation Academy" to begin to foster a culture of innovation.
- Selected and implemented a city-wide performance measurement software system.
- Continued to foster a culture of innovation through two opportunities with Bloomberg Philanthropies. During FY2016-17, Durham became a What Works City and was awarded \$1.5M over three years to create a Bloomberg Innovation Team.

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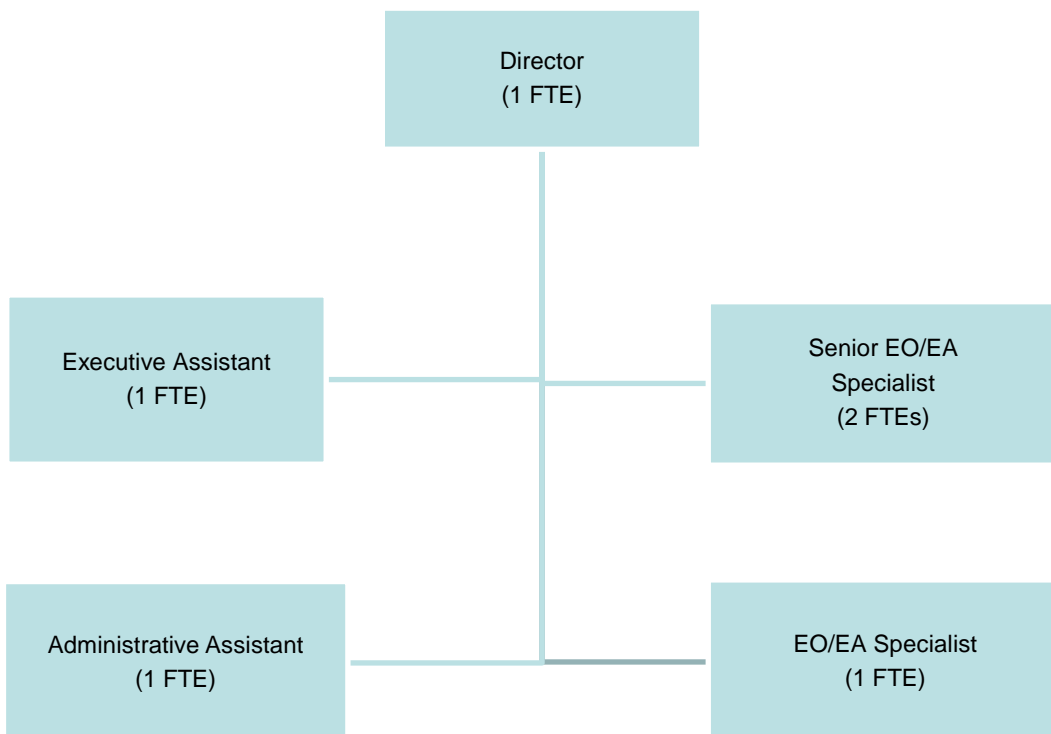
#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

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- Develop and publish the FY2018-19 Budget and FY2019-22 Capital Improvement Plan.
- Monitor annual operating and CIP budgets.
- Refine the multi-year financial model.
- Refine the CIP model.
- Continue implementation of the Citywide strategic plan to include all joint City/County initiatives.
- Coordinate and provide oversight on the Departmental strategic planning process and implementation.
- Coordinate the development and implementation of strategic plan departmental dashboards.
- Continue oversight of process improvement program.
- Provide quarterly financial updates to the City Manager and Council.
- Provide monthly financial updates to the City Manager.
- Coordinate annual engagement activities such as Coffees with Council and other budget outreach efforts.
- Coordinate the evaluation and updating of departmental performance measures.
- Perform cost benefit analyses on voluntary annexation petitions as received.
- Explore new opportunities to enhance our web presence for CIP engagement.
- Continue to integrate Strategic Initiatives resources within the department to enhance the citywide focus on performance and delivery of services, leadership development.
- Continue to refine departmental performance measures.
- Continue to refine the Program Based Analysis process.
- Continue the implementation of the city-wide performance measurement software system.



# Equal Opportunity/ Equity Assurance (6 FTEs)



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## EQUAL OPPORTUNITY AND EQUITY ASSURANCE

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### **Purpose Statement:**

To promote an environment that supports small business growth and inclusion.

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### DEPARTMENT DESCRIPTION

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#### **Equal Opportunity and Equity Assurance**

**\$546,105**  
**6 FTEs**

The Department of Equal Opportunity/Equity Assurance is responsible for the implementation of the City's Equal Business Opportunity Program (EBOP) and Small Local Business Enterprise Program (SLBEP). Responsibilities include:

- Recruitment of minority and women underutilized business enterprises (UBEs) and small local business enterprises (SLBEs) eligible to participate in the EBOP and SLBEP.
- Certification of SLBE firms to service City contracts in the areas of construction and professional services.
- Maintenance of the SLBE database of all currently certified businesses.
- Business development through the provision of technical assistance and support.
- Staff support to the EBOP Steering Committee and the Mayor's Committee for Persons with Disabilities.
- Project identification for potential contracting opportunities from City departments.
- UBE/SLBE participation goal setting.
- EBOP and SLBEP compliance determination.
- Monitoring of UBE and SLBE participation in City contracting activity.
- Reporting of UBE and SLBE participation on City contracts and reporting on special projects as requested.
- Monitoring City compliance with Senate Bill 914 reporting requirements.

#### **Business Services**

Services consist of UBE/SLBE business recruitment, certification /recertification, database management, goal setting, compliance monitoring and reporting and news brief.

#### **Administrative Services**

Services consist of program operations, policy development, financial operations, Human Resources functions, program monitoring, city and state compliance.

#### **Technical Assistance Services**

Series of small business development programs to include business finance, legal issues, bidding/estimating, small business technology, project management and other topics based on identified need.

## RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 536,602	\$ 533,685	\$ 551,587	\$ 517,824	-3.0%
Operating	11,246	23,735	16,693	23,281	-1.9%
Capital and Other	-	-	-	-	0.0%
Subtotal Appropriations	\$ 547,848	\$ 557,420	\$ 568,280	\$ 541,105	-2.9%
Mayor's Committee for Persons with Disabilities	\$ 3,706	\$ 5,500	\$ 2,910	\$ 5,000	-9.1%
Subtotal Nondepartmental	\$ 3,706	\$ 5,500	\$ 2,910	\$ 5,000	-9.1%
Total Appropriations	\$ 551,554	\$ 562,920	\$ 571,190	\$ 546,105	-3.0%
Full Time Equivalents	5	6	6	6	-
Part Time	1	-	-	-	-
Revenues					
Discretionary	\$ 551,554	\$ 562,920	\$ 571,190	\$ 546,105	-3.0%
Program	-	-	-	-	0.0%
Total Revenues	\$ 551,554	\$ 562,920	\$ 571,190	\$ 546,105	-3.0%

## DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

<b>Program:</b>	Business Services	<b>General Fund:</b>	<b>\$251,898</b>
		<b>FTEs:</b>	<b>3.25</b>
<b>Goal:</b>	Strong and Diverse Economy		
<b>Objective:</b>	UBEs will receive a percentage of City of Durham construction and professional services contracting dollars.		
<b>Initiative:</b>	Recruit UBE firms, seek and make available economic and business development opportunities for UBE firms and monitor participation.		
<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>
% of dollars spent with minority-owned UBEs in professional services	7%	8%	8%
% of dollars spent with minority-owned UBEs in construction	4%	11%	4%
% of dollars spent with women-owned SDBEs in professional services	5%	6%	7%
% of dollars spent with women-owned SDBEs in construction	2%	7%	4%

**Objective:** To make economic and business development opportunities in construction of up to \$500,000 and professional services \$100,000 or less available to Small Local Business Enterprises (SLBEs) in the Durham Metropolitan Statistical Area (MSA).

**Initiative:** Implement Durham Small Local Business Enterprise Program and monitor contracts awarded to SLBEs.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
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% of professional services dollars spent with SLBEs from contracts \$100,000 or less	34%	25%	25%	25%
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% of construction dollars spent with SLBEs from contracts \$500,000 or less	20%	25%	25%	25%
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<b>Program:</b>	Administrative Services	<b>General Fund:</b>	<b>\$258,925</b>
		<b>FTEs:</b>	<b>2.25</b>

**Goal:** Innovative and High Performing Organization

**Objective:** To find City contracting activity in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting 100% of the time.

**Initiative:** Audit contract compliance in the OnBase Contract Workflow System.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
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% of contracts found in compliance with ordinance	88%	100%	90%	100%
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<b>Program:</b>	Technical Assistance Program	<b>General Fund:</b>	<b>\$28,632</b>
		<b>FTEs:</b>	<b>0.5</b>

**Goal:** Strong and Diverse Economy

**Objective:** Provide at least six educational programs to at least 10 small businesses per session.

**Initiative:** Offer series of educational programs focused on identified needs of small businesses and promote participation in programs.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
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# of small business participants per session	5	10	10	10
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Average cost per session	\$1,168	\$584	\$584	\$584
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<b>Program:</b>	Mayor's Committee for Persons With Disabilities	<b>General Fund:</b>	<b>\$6,650</b>
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**BUDGET ISSUES FOR FY 2017-18**

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- Maintaining current departmental service level to fulfill the responsibilities of the Equal Business Opportunity Program and Small Local Business Enterprise Program.
- Monitor program modifications begun in FY 2016-17.
- Complete departmental transition with the retirement of one staff member.

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**ACCOMPLISHMENTS FOR FY 2016-17**

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- Sought business opportunities for certified underutilized business enterprises (UBEs) in all City contracting, as well as Durham County Government, Durham Public Schools projects and private sector projects.
- Certified eight new firms to service contracting opportunities in the SLBE Program.
- Implemented modifications in the Equal Business Opportunity Program (EBOP) based on Disparity Study recommendations.
- Monitored our departmental Strategic Plan.
- Conducted successful Minority Enterprise Development Week activities that included: a Honors Breakfast attended by approximately 135 persons and highlighted by honoring five small businesses, a forum on new Durham development projects attended by approximately 75 participants, a survival guide and networking event with the Durham Chamber of Commerce attended by approximately 40 participants, a Minority Business Fair in conjunction with the Greater Durham Black Chamber of Commerce with approximately 200 attendees and a MED Week Golf Day with approximately 20 participants for golf and the golf clinic.
- Conducted five technical assistance seminars on various business development topics with an average of five business owners in attendance.
- Sent bid opportunities to UBEs every two weeks and to SLBEs as information became available to advise them of business and educational opportunities and other information of interest to business owners.
- Director recognized as Woman of the Year by the Greater Durham Black Chamber of Commerce for efforts to assist minority businesses.
- Provided support and assistance to the Mayor's Committee for Persons with Disabilities for their activities: recognition of six employers who hire persons with disabilities; donations of clothing, books and toys to children at Urban Ministries of Durham and participated in the City of Durham Parks & Recreation Disable the Label event.

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**ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

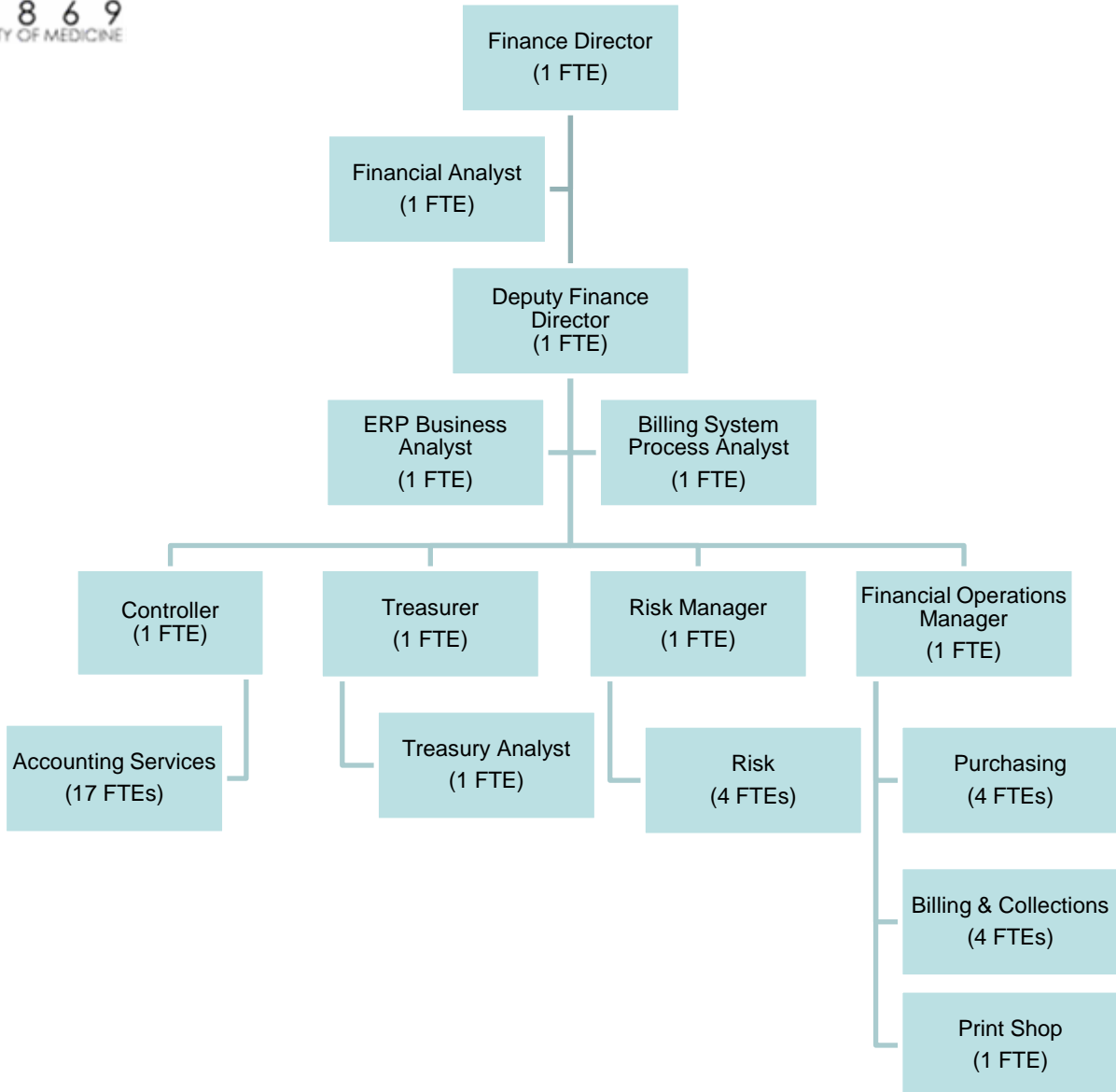
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- Monitor implementation of revised EBOP Ordinance and other recommendations of the Disparity Study.
- Continue monitoring of our departmental strategic plan's goals, objectives, initiatives and measures.
- Continue business services to include educational programs designed to support small business development and capacity-building.
- Continue efforts to increase the utilization of UBEs and SLBEs and the dollars they obtain through City contracting activity.
- Actively seek specific business opportunities for UBEs and SLBEs on all City projects.
- Employee recruitment and hiring of staff to replace retiree.
- Maintain high level of departmental employee satisfaction.



# Finance

(40 FTEs)



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## FINANCE

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### **Purpose Statement:**

To protect the City's assets, efficiently process and record financial transactions, maintain fiscal integrity, provide timely, accurate and comprehensive financial reporting and analysis, and to professionally and prudently enhance the City's financial position.

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### DEPARTMENT DESCRIPTION

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#### **Finance**

**\$5,068,935**  
**40 FTEs**

The department is primarily responsible for enhancing the City's financial position. The department is divided into seven divisions: the office of the director, accounting services, treasury management, billing and collections, risk management and safety, purchasing, and the print shop.

Among other things, the department's budget includes the fees associated with the following contract payments to outside service providers: the fees to Durham County associated with the collection of property tax revenue under the interlocal tax contract; the fees associated with the provision of banking and lockbox services for the maintenance of the City's bank accounts; and, the fees for investment advisory services to manage a portion of the City's portfolio.

#### **Office of the Director**

This program provides leadership and management direction for the department and policy formulation and analysis for the City.

#### **Payroll**

This program processes the biweekly payroll checks for approximately 2,300 City employees.

#### **Accounts Payable**

This program provides accounts payable for approximately 65,000 invoices per year.

#### **Financial Reporting**

This program provides financial reporting including CAFR, annual and quarterly financial reports, and federal, state, and other agency reports.

#### **Purchasing**

This program provides a centralized approach for bid specifications and solicitations for apparatus, supplies, equipment, and materials for all departments. Also included are contract compliance and disposal of surplus property.

#### **Treasury Management**

This program provides cash, investment portfolio, debt management, and banking services oversight and management.

#### **Interlocal Tax Contract**

Interlocal property tax collection contract with Durham County.

#### **Billing and Collections**

This program provides a centralized approach for non-utility billing and provides a centralized approach for cash collections of all revenues due the City.



## Print Shop

This program provides a full service copy and printing shop as well as mail services.

## Risk Management & Safety

This program provides claim management, supports departments in occupational safety and OSHA compliance, and coordinates occupational health services.

RESOURCE ALLOCATION					
	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 3,343,318	\$ 3,471,285	\$ 3,471,285	\$ 3,445,952	-0.7%
Operating	1,361,524	1,845,853	1,893,036	1,622,983	-12.1%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 4,704,842	\$ 5,317,138	\$ 5,364,321	\$ 5,068,935	-4.7%
Full Time Equivalents	47	43	43	40	-3
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 4,057,749	\$ 4,597,745	\$ 4,629,260	\$ 4,470,549	-2.8%
Program	119,862	105,720	123,650	125,720	18.9%
Total General Fund	\$ 4,177,611	\$ 4,703,465	\$ 4,752,910	\$ 4,596,269	-2.3%
Water and Sewer Fund	168,957	211,112	208,850	71,798	-66.0%
Risk Claims Fund	358,274	402,561	402,561	400,868	-0.4%
Total Revenues	\$ 4,704,842	\$ 5,317,138	\$ 5,364,321	\$ 5,068,935	-4.7%
DEPARTMENT PROGRAMS & PERFORMANCE MEASURES					

**Program:** Administration

**General Fund: \$634,969**

**FTEs: 5**

**Goal:** Well-Managed City

**Objective:** To maintain the highest possible credit ratings from all ratings agencies.

**Initiative:** To present information to the rating agencies that illustrates the City's financial, administrative, and economic strengths.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
Credit rating issued by S&P	AAA	AAA	AAA	AAA
Credit rating issued by Fitch	AAA	AAA	AAA	AAA
Credit rating issued by Moody's	Aaa	Aaa	Aaa	Aaa

**Program:** Payroll

**General Fund: \$273,167**

**FTEs: 3.5**

**Goal:** Well-Managed City

**Objective:** To process each bi-weekly payroll on time with error rate of less than 0.02%.

**Initiative:** To utilize best practices and continuously improve quality.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
# Payroll checks issued	2,492	3,250	3,250	3,200
# Direct deposits	69,831	70,000	71,000	70,000
# Checks/advices issued with errors	3	6	6	4
% Checks/advices issued without error	99.99%	99.99%	99.99%	99.99%

**Objective:** To ensure that all balance sheet general ledger accounts associated with payroll are maintained accurately.

**Initiative:** To perform account reconciliations thoroughly each accounting period according to the established schedule.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
# GL accounts reconciled	1,708	1,600	1,700	1,750
% GL accounts reconciled (corrected if necessary) each month	100%	100%	100%	100%

**Program:** Accounts Payable

**General Fund: \$378,678**

**FTEs: 5.5**

**Goal:** Well-Managed City

**Objective:** To pay 90% of all invoices within 30 days of invoice date.

**Initiative:** To utilize best practices and continuously improve quality.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
# Invoices	63,457	65,000	65,000	65,000
% Invoices paid within 30 days	88.6%	90.0%	88.5%	90.0%

**Objective:** To maximize the number and percentage of invoices paid by electronic payment.

**Initiative:** To utilize best practices, reduce printing/postage costs, and continuously improve quality.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
# Checks issued	31,776	30,875	28,500	26,000
# Electronic payments	31,681	34,125	36,500	39,000
% Electronic payments	49.9%	52.5%	56.2%	60.0%

**Program:** Financial Reporting

**General Fund: \$914,751**

**FTEs: 9**

**Goal:** Well-Managed City

**Objective:** To prepare financial reports that are timely and of the quality warranting an unmodified audit opinion and GFOA awards for excellence in financial reporting.

**Initiative:** To prepare quality financial reports.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
Was audit opinion unmodified?	Yes	Yes	Yes	Yes
Did CAFR receive GFOA award?	Yes	Yes	Yes	Yes
Did Popular Report receive GFOA award?	Yes	Yes	Yes	Yes
# Significant material findings in internal and external audits	0	0	0	0

**Program:** Purchasing **General Fund: \$422,263**  
**FTEs: 4**

**Goal:** Well-Managed City

**Objective:** To complete the purchasing cycle (requisition to PO) for 90% of purchases of commodities within 2 business days.

**Initiative:** To utilize best practices and continuously improve quality.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
# Purchase orders (PO)	17,005	15,000	17,500	17,500
% Purchase orders issued within 2 business days	90.1%	90.0%	90.0%	90.0%

**Objective:** To increase the number of Purchasing card users and transactions.

**Initiative:** To utilize best practices in procurement.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
# P-Card users	343	420	375	380
# P-Card transactions	15,137	16,500	17,500	17,500

**Objective:** To complete 95% of all Finance Officer's pre-audit certification of contracts within 3 days of notification via OnBase.

**Initiative:** To manage and follow-up on the process.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
# Contracts	939	1,000	1,000	1,000
% Contracts certified within 3 days	99%	100%	100%	100%

**Program:** Treasury Management **General Fund: \$549,078**  
**FTEs: 2**

**Goal:** Well-Managed City

**Objective:** To ensure that investment earnings for idle funds exceed the cost of managing those funds and contribute to the "bottom line."

**Initiative:** To more actively manage the City's investment portfolio.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
Investment % yield vs. average daily 2 year treasury yield for same period	+0.23%	+0.10%	+0.25%	+0.10%
Investment earnings	2,674,369	1,000,000	1,000,000	1,250,000

**Program:** Interlocal Tax Contract **General Fund: \$1,024,022**  
**FTEs: 0.0**

**Goal:** Well-Managed City

**Objective:** To ensure that the County Tax Collector maximizes the property tax collection rate.

**Initiative:** To utilize best practices and to maximize the collection rate.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
% Collection rate	99.70%	99.50%	99.50%	99.50%

**Program:** Billing and Collections

**General Fund: \$330,331**

**FTEs: 4**

**Water & Sewer Fund: \$71,798**

**FTEs: 1**

**Goal:** Well-Managed City

**Objective:** To ensure that adjustments are made to false alarm bills as infrequently as possible.

**Initiative:** To monitor performance of outside service provider and make recommendations to continuously improve quality

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
\$ Value of false alarm bills issued	314,518	380,000	380,000	380,000
# False alarms processed	15,036	15,000	15,000	15,000
# of false alarm bills issued	1,772	2,050	1,600	2,050

**Objective:** To ensure that payments received are posted accurately.

**Initiative:** To utilize best practices and continuously improve quality.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
% Payments posted accurately by Cashiering	99.97%	99.83%	99.96%	N/A

**Objective:** To reduce the amount of delinquent accounts and increase collection rates.

**Initiative:** To pursue more aggressive collection efforts utilizing new tools such as collection agency, wage garnishment, bank account attachment, and other strategies as appropriate or allowed by law.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
% Delinquent UB accounts recovered/collected by collection agency	14.09%	13.95%	14.63%	14.63%
Internal collections rate - select GB segments	60.35%	57.50%	66.70%	66.00%

**Program:** Risk Management and Safety

**Risk Fund: \$400,868**

**FTEs: 5**

**Goal:** Safe and Secure Community

**Objective:** To ensure the safety of city facilities and work-sites by increasing the number of safety inspections and by evaluating facility and site inspection reports to identify and correct hazards and potential hazards.

**Initiative:** To maintain continuous process improvement in the City's risk management and safety process.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
% City Facility Inspections Plan Completed	N/A	N/A	N/A	100%

**Objective:** To reduce the number of lost time claims.

**Initiative:** To develop new employee safety program that will include training more closely targeted at work hazards and exposures and other risks identified through claims analysis.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
# Lost time claims	29	30	30	30
% Claims reported within 3 days	94.00%	90.00%	94.00%	93.00%
% Claims generating lost time	14.72%	15.00%	14.63%	15.00%

**Objective:** To reduce at fault automobile accidents by 4%.

**Initiative:** To maintain continuous process improvement in the City's risk management and safety process.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
# At fault auto accidents	141	120	145	120
% Reduction in number of at fault automobile accidents	11.3%	7.7%	-2.8%	4.0%

**Program:** Print Shop

**General Fund: \$69,010**

**FTEs: 1**

**Goal:** Well-Managed City

**Objective:** To ensure that the Print Shop is utilized to the maximum extent possible to minimize total printing and duplicating services expenses.

**Initiative:** To utilize best practices and manage expenses.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
# Print jobs	538	300	300	300
% Print jobs produced in-house	38%	20%	20%	18%
# Impressions generated	694,177	150,000	250,000	300,000
% On Time Performance for Bill Print/Mail Service	100%	100%	100%	100%

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#### BUDGET ISSUES FOR FY 2017-18

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- Reductions in staffing levels over the past several budget years will continue to create challenges within the department as workloads and demands for services have not declined.
- Attracting and retaining qualified employees, succession planning, and maintaining the current high levels of morale will all continue to be issues for the upcoming fiscal year.

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#### ACCOMPLISHMENTS FOR FY 2016-17

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- Analyzed various economic development projects and GoTriangle financial plan
- Rolled out new LMS citywide training platform
- Conducted leadership training sessions for all supervisors in the department utilizing the LPI 360 evaluation tool
- Implementing on-line bill paying solution
- Increased the use of procurement cards by City departments and e-payables program to take advantage of rebates and to lower accounts payable costs
- Updated indirect cost allocation model for use in the FY 18 budget
- Worked with Transportation staff on review and preparation of on-street parking contracts and updates to financial model
- Guided Carolina Theater to significantly reduce its deficit
- Worked with EO/EA regarding changes to purchasing processes to drive more business to HUB database vendors
- Closed out Billing Process Improvement Taskforce as an Executive Team project

- Received a “clean” and unmodified audit opinion, with no issues to report in the Management Letter, on the FY 2015-16 financial statements along with a single audit report that identified no findings related to the City’s expenditure of Federal Funds
- Reaffirmed credit ratings with all agencies that make the city one of the highest rated public entities in the country
- Refinanced \$56.7 million of Utility Systems Revenue Bond at 2.64% interest rate (NPV savings of \$5.5 million)
- Received 31<sup>st</sup> consecutive Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report (CAFR)
- Received 12<sup>th</sup> consecutive Award for Outstanding Achievement in Popular Annual Financial Reporting
- Received 14<sup>th</sup> consecutive Sustained Professional Purchasing Award from the Carolinas Association of Governmental Purchasing

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#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

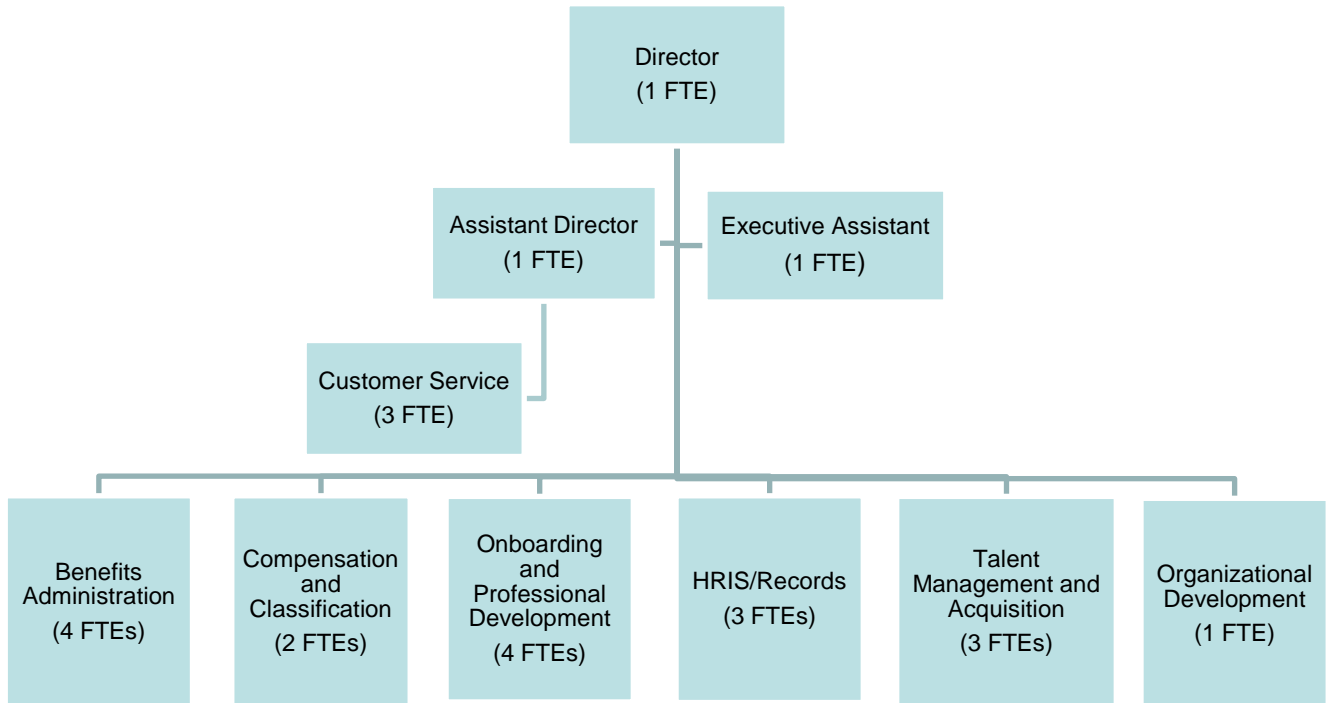
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- Upgrade MUNIS ERP system to version 11.3
- Document procedures within Risk Management.
- Determine curriculum for on-line safety training.
- Identify options for increasing electronic payments.
- Identify methods to increase collections on amounts owed to the City.
- Develop customized MUNIS training for specific user groups (e.g. project managers).
- Develop marketing framework for financial consulting services.
- Conduct overall review of procurement process.
- Continue the oversight of program accountants responsible for administering grants.
- Provide monthly and quarterly financial updates to the City Manager and Council (joint projects with BMS Department).
- Maintain the City’s credit ratings.
- Monitor recent, upcoming, and anticipated GASB pronouncements, how they are being addressed, and the impacts they are expected to have on financial reporting and budgeting.



# Human Resources

(23 FTEs)



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## HUMAN RESOURCES

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### **Purpose Statement:**

We are committed and knowledgeable professionals who provide value-added human capital services to acquire top talent, engage and grow our workforce, and make the City of Durham a great place to live, work and play.

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### DEPARTMENT DESCRIPTION

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#### **Human Resources**

**\$2,883,468**  
**23 FTEs**

The Human Resources Department is focused on attracting and retaining qualified employees and creating a positive work environment. The services provided to departments include: benefits, selection and recruiting, compensation and classification, training, organizational development, employee relations, and wellness. The department assists the City's administration through advice and consultation on personnel-related issues, policy development and revision, as well as participation in the City's organizational development and strategic planning.

#### **General Administration**

The Administration unit is responsible for overall operation of the department including strategic planning, performance measurement, day-to-day operations, and the budget. Administration provides consultation on human resources issues to the City Administration, City Council, and external customers.

#### **HRIS/Records**

The HRIS team is responsible for maintaining the integrity and reliability of the human resource information systems. The HRIS team aligns the organization's human resources information systems needs with those of the Technology Solutions Department, Finance Department, and other stakeholders. HRIS administers and maintains various HR information systems including MUNIS and NEOGOV. HRIS functions as project manager for new departmental systems initiatives and is responsible for the disclosure, security and maintenance of personnel records.

#### **Benefits Administration**

The Benefits Administration team manages employee benefit programs, wellness programs, and the employee assistance program. The team coordinates HIPAA and FMLA compliance, retiree planning, and COBRA administration. The team also ensures compliance with all benefits regulations and develops requests for proposals for benefits and benefits brokerage services.

#### **Talent Management and Acquisition**

The Talent Management and Acquisition team provides complete HR staffing and selection services to all departments. This includes: assistance with NeoGov, ensuring that jobs are appropriately advertised, assisting with interview panels and assessment processes in departments, conducting targeted and specialized recruitment, job fair attendance, re-entry program coordination, and providing information and assistance to employees in departments. Administers and proctors Police and Fire testing for various promotional processes.

#### **Compensation and Classification**

The Compensation and Classification Team provides guidance in the fair and equitable management of positions for all City employees by conducting position studies and market surveys, maintaining job descriptions for all City classifications, maintaining the full-time classification and pay plans, and reviewing or advising departments concerning any departmental part-time pay plans. The Team administers the performance management system, provides FLSA guidance, and provides training in related areas.

#### **Onboarding and Professional Development**

The Onboarding and Professional Development Team provides a variety of services that enhance employees' overall value to the organization and maximizes service delivery to the citizens of Durham. The services provided include onboarding, training, educational opportunities, including technical skills and communication skills, customized facilitations. This team also is responsible for employee relations, which includes coordinating, facilitating and monitoring Employment Security Commission (ESC) hearings, assigned investigations, grievances, mediations and responses.



**HR Connect**

The HR Connect Customer Service Team provides customer service assistance for all internal and external HR customers. HR Connect is the central hub of information for the HR Department and increases department accessibility, satisfaction rating, and departmental efficiency. The HR Connect team provides front desk and lobby coverage, provides phone, email, and walk-in support, processes department mail, and manages first stop resolution and escalation to specialist. This team is also responsible for coordination and dissemination of communications for the HR department. The team manages the HR knowledgebase and customer service management software and is responsible for ID badge creation and replacement for City of Durham employees.

**Organizational Development**

Organizational Development in the City of Durham is a process that is intentional and organization-wide. It is a process that will increase the City of Durham's effectiveness through planned interventions that will improve the state of the organization through better alignment with the City of Durham's Strategic Plan, Goals and Values.

The City of Durham's Organizational Development Structure/Framework includes:

- Leadership Development
- OD Interventions to improve the state of the organization
- Employee Engagement
- Change Management

## RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 1,866,533	\$ 2,018,912	\$ 2,063,664	\$ 2,122,004	5.1%
Operating	342,037	636,464	936,789	576,464	-9.4%
Capital and Other	-	-	-	-	0.0%
Subtotal Appropriations	\$ 2,208,570	\$ 2,655,376	\$ 3,000,453	\$ 2,698,468	1.6%
Non-departmental					
Flex Reimbursement	\$ 30,000	\$ 85,000	\$ 85,000	\$ 85,000	0.0%
Unemployment Compensation	104,344	100,000	100,000	100,000	0.0%
Subtotal Non-departmental	\$ 134,344	\$ 185,000	\$ 185,000	\$ 185,000	0.0%
Total Appropriations	\$ 2,342,914	\$ 2,840,376	\$ 3,185,453	\$ 2,883,468	1.5%
Full Time Equivalents	22	23	23	23	-
Part Time	1	1	1	2	1
Revenues					
Discretionary	\$ 2,059,287	\$ 2,447,968	\$ 2,793,045	\$ 2,485,202	1.5%
Program	-	-	-	-	0.0%
Total General Fund	\$ 2,059,287	\$ 2,447,968	\$ 2,793,045	\$ 2,485,202	1.5%
Risk Claims Fund	196,461	305,381	305,381	308,542	1.0%
Employee Insurance Fund	87,166	87,027	87,027	89,724	3.1%
Total Revenues	\$ 2,342,914	\$ 2,840,376	\$ 3,185,453	\$ 2,883,468	1.5%

## DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

<b>Program:</b>	General Administration		<b>General Fund:</b>	<b>\$470,544</b>
			<b>FTEs:</b>	<b>3</b>
<b>Goal:</b>	Innovative & High Performing Organization			
<b>Objective:</b>	To maintain customer satisfaction with HR services.			
<b>Initiative:</b>	Survey organization at least once annually and design actions based on results.			
<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Surveys Completed	427	605	454	605
% Employees completing Survey	19%	28%	21%	28%
%Employees rating HR services satisfactory or better	67%	90%	69%	90%

**Program:** HRIS **General Fund: \$300,023**  
**FTEs: 3**

**Program:** HRIS/Records

**Goal:** Innovative & High Performing Organization

**Objective:** To provide comprehensive, secure Human Resources documentation, information and data management.

**Initiative:** Maintain accurate MUNIS records, personnel records, Employee Self Service (ESS), and document management intake.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# of Processes automated	1	2	4	2

**Program:** Benefits **General Fund: \$330,454**  
**FTEs: 4**  
**Employee Insurance Fund: \$89,724**  
**FTE: 1**

**Goal:** Innovative & High Performing Organization

**Objective:** To increase employee well-being and decrease health-related costs.

**Initiative:** Provide opportunities for employees to improve their well-being.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# Health risk assessment surveys or studies conducted	2,112	2,340	1,995	2,340
Average claim amount (Per Employee Per Month)	\$935	\$800	\$890	\$800

**Program:** Classification & Compensation **General Fund: \$206,165**  
**FTEs: 2**

**Goal:** Innovative & High Performing Organization

**Objective:** To maintain satisfaction with salary and classification services.

**Initiative:** To recognize employees' work and align job duties/responsibilities with City goals and market values.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of city employees ranking the compensation and classification systems as satisfactory or better	41%	70%	41%	70%
% of studied classifications whose midpoint is within 90% of market	91%	95%	95%	95%

**Program:** Talent Management & Acquisition **General Fund: \$324,004**  
**FTEs: 3**  
**Risk Fund: \$308,542**  
**FTE: 1**

**Goal:** Innovative & High Performing Organization  
**Objective:** To make Durham an employer of choice.  
**Initiative:** Implement and improve NeoGov system to streamline the hiring and onboarding process.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Days from posting to hire	92	40	90	40

**Program:** Customer Service **General Fund:** \$187,097  
**FTEs:** 3

**Program:** Onboarding and Professional Development **General Fund:** \$528,415  
**FTEs:** 4

**Goal:** Innovative & High Performing Organization  
**Objective:** To provide training to individuals to enhance their career development.  
**Initiative:** Survey training participants to learn if training was beneficial.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Workshops and training events held	99	90	50	90
% of employees rating meetings, workshops, trainings as effective	98%	97%	97%	98%
# of training participants	1,283	1,400	700	700
% stating training was beneficial to career enhancement and/or job performance	98%	97%	97%	98%

**Program:** Organizational Development **General Fund:** \$138,500  
**FTEs:** 1

**Goal:** Innovative & High Performing Organization  
**Objective:** To establish an exceptional, diverse, and engaged workforce.  
**Initiative:** Increase employee engagement through organizational development initiatives.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# of employees participating in:				
Durham First initiatives	761	1,120	1,120	1,500
City College	37	60	40	40
Leadership Conference	259	550	270	500

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#### BUDGET ISSUES FOR FY 2017-18

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- Additional funding is required to fully implement several recommended plans, including the Strategic Training Plan and Organizational Excellence Model.

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**ACCOMPLISHMENTS FOR FY 2016-17**

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- Completed Phase I of project to improve performance management system.
- Implemented the Learning Management System, part of the citywide training plan.
- Implement the organizational excellence plan through the Organizational Development program.
- Realigned the Benefits Administration program to better serve customers.
- Managed development of new Police and Fire pay plans.
- Interfaced Munis and Workterra.
- Developed a Wellness Dashboard.

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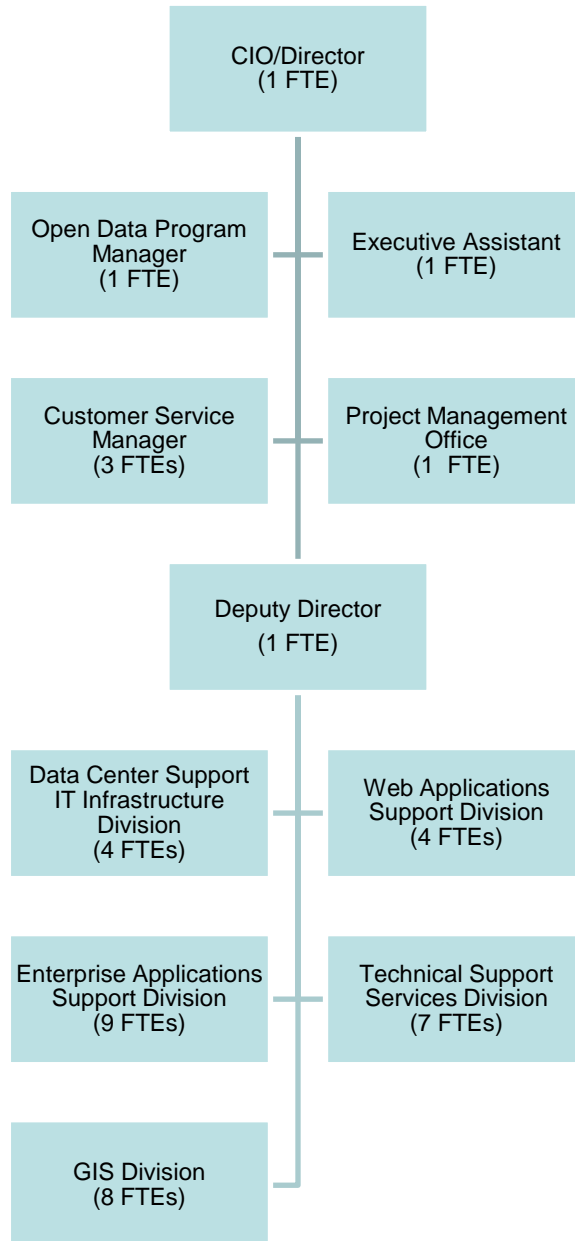
**ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

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- Implement Citywide Strategic Training Plan.
- Implement Diversity Recruiting Plan.
- Lead the City in strategic workforce and succession planning.
- Implement the Springbuk health cost analytics system.
- Develop a plan to reduce musculoskeletal injuries.
- Refresh the departmental strategic plan.



# Technology Solutions (40 FTEs)



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## TECHNOLOGY SOLUTIONS

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### **Purpose Statement:**

To provide quality Information Technology (IT) services and solutions that bring optimal business value to our customers.

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### DEPARTMENT DESCRIPTION

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#### **Technology Solutions Department**

**\$7,319,631**  
**41 FTEs**

The core business of the Technology Solutions (TS) Department is to align and support the City's crucial information technology infrastructure, services, solutions, and TS human capital to the business needs of the City's departments. TS maintains enterprise security, access control, manages the performance and maintenance of all data center/network resources, telecommunications, and user end points.

#### **Administration**

This program provides for strategic planning and executive management of the Technology Solutions Department. Within the TS department's administrative program, there are five business units; Project Management Office, Information Technology (IT) Governance, Performance/Financial/Budget Management, Open Data Program Management, Cyber Security Program, and Administrative Management. In addition, this program provides IT Asset Management for the entire enterprise, and provides IT training coordination service to business units.

#### **Open Data**

The Open Data program enables internal efficiency, and it seeks to develop opportunities for entrepreneurship, economic development, commerce, increased investment, and civic engagement. This program operates under an inter-local agreement between the City and County governments to provide Open Data to the community. The Open Data Program supports the City and County's goals to use technology to foster open, transparent, accessible and collaborative government by sharing data freely.

#### **Cyber Security**

The Cyber Security program provides best practice security measures to protect the sensitive information of the City of Durham. The Cyber Security Program encompasses the following strategies to protect the information: security awareness training for employees, monitoring and remediating security threats before the City is affected utilizing cyber forensic data collected, conducting proactive internal audits, ensuring new on premise and cloud systems are in compliance with security standards as part of the IT governance process, and implementing proactive security measures based on cyber activity events.

#### **Technical Support Services**

The Technical Support Services Program evaluates and deploys new innovative technology citywide that provides optimal business value to our customers. The program supports the end user utilization of the desktop systems, network services, and data center resources. The program also maintains: systems security, network security, systems backup and recovery, end points, e-mail system, internet/cloud connectivity, office productivity tools, multifunctional print devices, business unit applications, metropolitan voice/data network components, and data center resources. This program of the TS department also manages the annual PC Replacement initiative and provides help desk services.

#### **Innovation & Solutions**

The Innovations and Solutions Program evaluates and deploys new innovative technology citywide that provides optimal business value to our customers. This program works with the business units to effectively align IT solutions to their business needs. The program provides business analysis, web applications development,

database development and administration, and enterprise systems support. Critical applications such as Payroll, Accounts Payable, Water Billing, Budget, Human Resources, Contract and Document Management, Work Order Management, etc. are supported by this program. The program supports and maintains the following platforms: document management, work order management, enterprise resource planning, cloud, database, and Internet/Intranet/Extranet. The program also maintains: application security, access control, data security, enterprise application software upgrades, ADA compliance for web applications, software, and maintenance contracts.

### The Geographic Information Systems

The Geographic Information Systems (GIS) program evaluates and deploys new innovative technology citywide that provides optimal business value to our customers. This program operates under an inter-local agreement between the City and County governments to manage the enterprise Geographic Information System and provide related services to internal and external customers. GIS provides and supports critical spatial analytic services that support decision makers in the City and County of Durham. The GIS program provides: mapping services, web application development services, address creation, geo-spatial modeling and analytics, and citizen/business data request. The program maintains: the county-wide 911 address database, public safety data layers, the enterprise spatial database, and GIS applications and platforms.

### Technology Surcharge / Land Development Office (LDO)

The City/County Planning and Inspections Departments collect a technology surcharge fee applicable to development permits. These revenues are designated to improve technology associated with the LDO. This application provides automation for permit and case management. It also provides interoperability between departments involved in land development activities throughout the County. TS provides systems support, end point support, connectivity support, and vendor management.

RESOURCE ALLOCATION					
	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 3,954,600	\$ 3,921,589	\$ 4,001,450	\$ 4,315,121	10.0%
Operating	2,291,398	2,636,423	2,981,104	2,804,510	6.4%
Capital and Other	-	-	-	200,000	100.0%
Transfers	48,719	-	-	-	0.0%
Total Appropriations	\$ 6,294,717	\$ 6,558,012	\$ 6,982,554	\$ 7,319,631	11.6%
Full Time Equivalents	40	40	40	41	1
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 5,655,674	\$ 5,885,654	\$ 6,310,196	\$ 6,531,295	11.0%
Program	639,043	672,358	672,358	788,336	17.2%
Total Revenues	\$ 6,294,717	\$ 6,558,012	\$ 6,982,554	\$ 7,319,631	11.6%

DEPARTMENT PROGRAMS & PERFORMANCE MEASURES			
<b>Program:</b>	Administration	<b>General Fund:</b>	<b>\$1,066,728</b>
		<b>FTEs:</b>	<b>8</b>
<b>Goal:</b>	Innovative and High Performing Organization		



**Objective:** To efficiently and effectively align resources and services with business needs maintaining operating costs at less than 5% of City overall budget; and receive a 90% or better customer satisfaction rating.

**Initiative:** Establish Citywide IT Governance Framework based on best practice methodologies focused on information technology (IT) systems, their performance and risk management to accomplish goal. Create new programs to manage and align to business needs.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 17</b>	<b>FY 18</b>
% of IT Governance projects completed on time.	N/A	50%	20%	50%
% IT overall satisfaction (Bi-annual)	85%	90%	85%	90%
Average Days To Close Incident/Issue Tickets	12	10	6	10
Average Days To Close General Requests Tickets	22	5	5	5

**Program:** Open Data **General Fund:** \$137,437  
**FTEs:** 1

**Goal:** Innovative and High Performing Organization

**Objective:** To provide Open Data that will empower the community to gain insight regarding their government that will foster activities such as entrepreneurship, economic development, commerce, civic engagement, increased transparency, and investment.

**Initiative:** Grow the Open Data program with increased datasets and applications that will increase the engagement with the community.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 17</b>	<b>FY 18</b>
Number of monthly data record requested	>60,000	60,000	>60,000	>60,000

**Program:** Cyber Security **General Fund:** \$268,879  
**FTEs:** 1

**Goal:** Innovative and High Performing Organization

**Objective:** Meet or exceed a measure of 50% or less of information systems without vulnerabilities

**Initiative:** To provide security awareness training for employees, monitors and remediates security threats before the city is affected, proactive conducts internal audits, and implements security measures based on cyber activity events.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 17</b>	<b>FY 18</b>
% of Systems Without Vulnerabilities	N/A	N/A	N/A	50%

**Program:** Technical Support Services **General** \$2,658,410

**Fund:**  
**FTEs:** 11

**Goal:** Innovative and High Performing Organization  
**Objective:** Meet or exceed a 90% or better customer satisfaction rating and complete 90% of all service requests within 24 hours or a due date set with customer.  
**Initiative:** Align TS Infrastructure and computer support services and resources to the business needs of the City using best practice methodologies.

	<b>Actual FY 16</b>	<b>Adopted FY 17</b>	<b>Estimated FY 17</b>	<b>Proposed FY 18</b>
<b>Measures:</b>				
% IT overall Satisfaction (Help Desk)	96%	90%	95%	90%
% of Infrastructure Uptime	99.28%	99.9%	99.81%	99.9%
% of Available Data Center Capacity	56%	20%	45%	20%

**Program:** Innovation & Solutions  
**General Fund:** \$2,047,589  
**FTEs:** 12

**Goal:** Innovative and High Performing Organization  
**Objective:** Meet or exceed a 90% or better customer satisfaction rating and complete 90% of all service requests within 24 hours or a due date set with customer.  
**Initiative:** To deliver innovative solutions, and support to meet the business needs of the City. This is done using best practice methodologies while effectively aligning resources and services.

	<b>Actual FY 16</b>	<b>Adopted FY 17</b>	<b>Estimated FY 17</b>	<b>Proposed FY 18</b>
<b>Measures:</b>				
% IT overall Satisfaction (Help Desk)	98%	90%	90%	90%

**Program:** Geographic Information Systems  
**General Fund:** \$935,802  
**FTEs:** 8

**Goal:** Innovative and High Performing Organization  
**Objective:** Meet or exceed a 90% or better customer satisfaction rating and complete 90% of all service requests within 24 hours or a due date set with customer.  
**Initiative:** To deliver innovative solutions, and support to meet the business needs of the City. This is done using best practice methodologies while effectively aligning resources and services.

	<b>Actual FY 16</b>	<b>Adopted FY 17</b>	<b>Estimated FY 17</b>	<b>Proposed FY 18</b>
<b>Measures:</b>				
% IT overall Satisfaction (Help Desk)	100%	90%	98%	90%

<b>Program:</b>	Technology Surcharge/Land Development Office (LDO)	<b>General Fund:</b>	<b>\$204,786</b>
		<b>FTEs:</b>	<b>0</b>
<b>Goal:</b>	Innovative and High Performing Organization		
<b>Objective:</b>	N/A		
<b>Initiative:</b>	To provide interoperability between departments involved in land development activities throughout the County. TS role is to ensure the funds are spent to improve the system based on requests received from City/County Planning and City/County inspections.		

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#### **BUDGET ISSUES FOR FY 2017-18**

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- Insufficient staffing with necessary skillsets to address the increase in cyber security activity and to monitor security standards per the IT security audit recommendation and benchmarking
- Insufficient number of IT project managers necessary to manage the volume of approved IT Projects based on performance metrics and benchmarking

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#### **ACCOMPLISHMENTS FOR FY 2016-17**

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- Received number 1 Digital Cities ranking in the country by The Center for Digital Government (CDG)
- Hired new Open Data Program Manager
- Completed the data center refresh plan (two year project)
- Implemented IT governance model
- Office 365 pilot implementation
- Cyber security training offered through LMS
- Implemented managed network security and services
- Expanded network needs to support police body camera initiative
- Upgraded network infrastructure to provide increased capacity for all departments

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#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

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- Continue implementation of data center refresh (two year project)
- Implement Office 365 phase 1 as a part of the data center refresh
- Implement security awareness training for all employees
- Complete Munis upgrade
- Complete City Works upgrade
- Complete Granicus upgrade
- Implement Cyber Security Program
- Increase Technology Solution's project management capacity

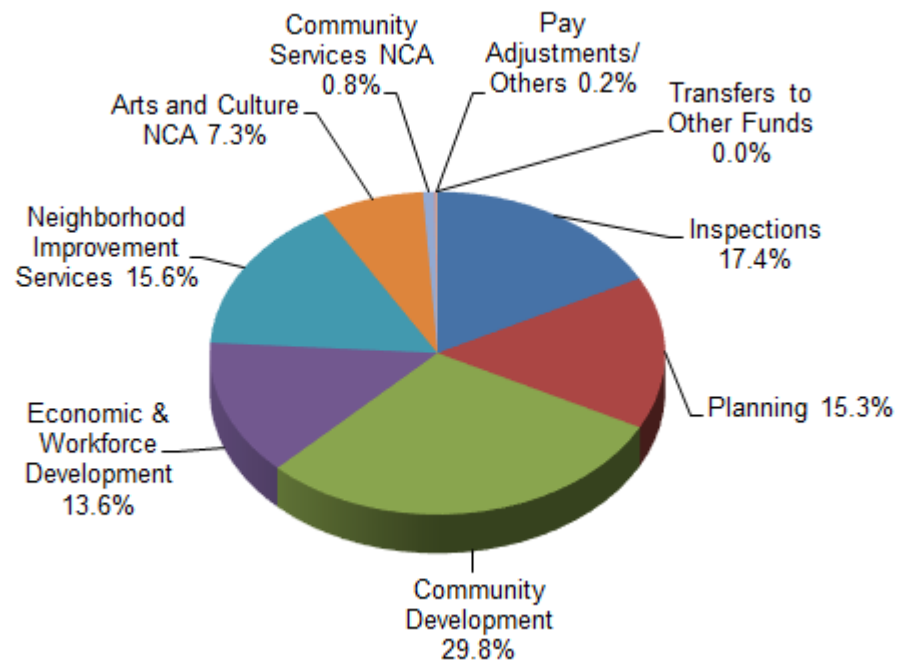
**COMMUNITY BUILDING  
BUDGET SUMMARY**

	<b>Actual FY 2015-16</b>	<b>Adopted FY 2016-17</b>	<b>Estimated FY 2016-17</b>	<b>Proposed FY 2017-18</b>	<b>Change</b>
<b>Non-Grant Appropriations</b>					
City/County Inspections	\$ 3,655,611	\$ 3,943,432	\$ 4,019,816	\$ 4,302,267	9.1%
City/County Planning	3,125,196	3,517,748	3,515,971	3,761,267	6.9%
Community Development	3,309,539	2,596,052	3,926,943	7,390,376	184.7%
Economic Development	2,650,891	3,680,338	4,366,007	3,380,387	-8.2%
Neighborhood Improvement	3,574,284	3,731,533	4,066,984	3,873,046	3.8%
Contract Agencies					
Arts and Culture	2,219,805	1,798,835	1,975,913	1,818,486	1.1%
Community Services	54,756	145,983	172,489	200,202	37.1%
Pay Adjustments/Others	2,087	45,391	45,191	45,949	1.2%
Transfers to Other Funds	100,000	10,761	10,761	10,761	0.0%
<b>Total Appropriations</b>	<b>\$ 18,692,169</b>	<b>\$ 19,470,073</b>	<b>\$ 22,100,075</b>	<b>\$ 24,782,741</b>	<b>27.3%</b>
Full Time Equivalents	149	154.5	154.5	159.5	5.0
Part Time	4	4	4	4	-
<b>Revenues</b>					
General Fund					
Discretionary	\$ 11,110,034	\$ 12,288,751	\$ 13,579,255	\$ 12,464,113	1.4%
Program	2,146,092	2,529,915	2,749,490	2,656,014	5.0%
General Fund Subtotal	\$ 13,256,126	\$ 14,818,666	\$ 16,328,745	\$ 15,120,127	2.0%
Dedicated Housing Fund	1,780,432	707,975	1,751,514	5,360,347	657.1%
Inspection Special Revenue Fund	3,655,611	3,943,432	4,019,816	4,302,267	9.1%
<b>Total Revenues</b>	<b>\$ 18,692,169</b>	<b>\$ 19,470,073</b>	<b>\$ 22,100,075</b>	<b>\$ 24,782,741</b>	<b>27.3%</b>
<b>Grants</b>					
Community Development Grants	\$ 3,753,872	\$ 4,009,007	\$ 3,010,266	\$ 3,540,000	-11.7%
OEWD Grants	2,140,545	1,845,957	1,394,250	1,802,012	-2.4%
<b>Total Grants</b>	<b>\$ 5,894,417</b>	<b>\$ 5,854,964</b>	<b>\$ 4,404,516</b>	<b>\$ 5,342,012</b>	<b>-8.8%</b>
Full Time Equivalents	19.0	18.5	18.5	18.5	-
Part Time	1	1	1	1	-
<b>Total Budget</b>	<b>\$ 24,586,586</b>	<b>\$ 25,325,037</b>	<b>\$ 26,504,591</b>	<b>\$ 30,124,753</b>	<b>19.0%</b>

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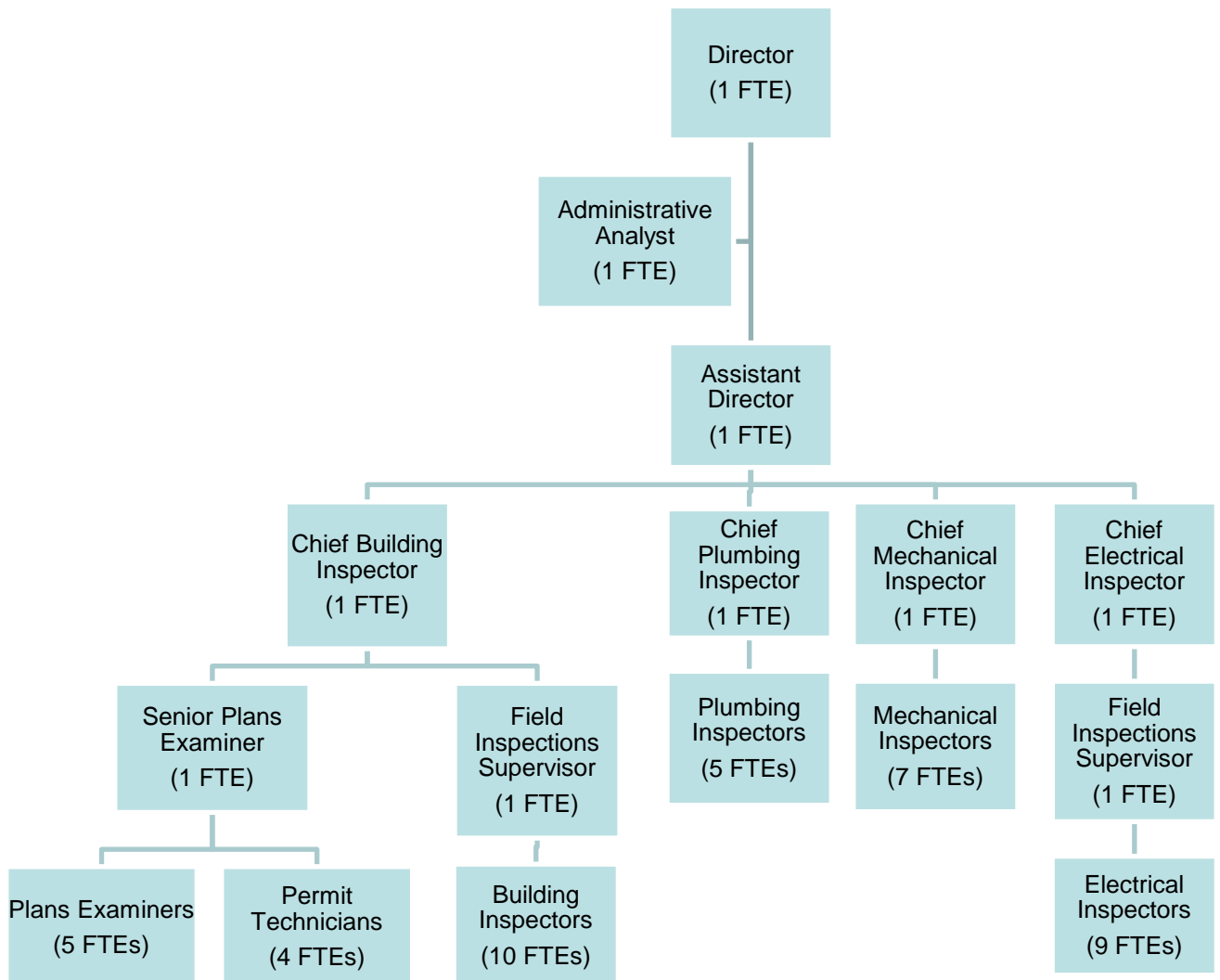
## COMMUNITY BUILDING

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# Durham City-County Inspections (50 FTEs)



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## DURHAM CITY- COUNTY INSPECTIONS

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### **Purpose Statement:**

To provide a cost effective level of service designed to assure the adequate protection of the health and safety of the citizens of the City and County of Durham through assertive enforcement of the various State building, electrical, plumbing, mechanical, and fire codes, and local zoning ordinances.

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### DEPARTMENT DESCRIPTION

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#### **Inspection Services**

**\$4,302,267**  
**50 FTEs**

The City-County Inspections Department is a merged City and County department that administers and enforces the North Carolina State Building Codes and Durham City-County Zoning Ordinances. State law mandates the inspection of all building construction for the purpose of enforcing various construction codes, thereby assuring the adequate protection of the general public's health and safety. In addition, the City and County regulate development through the Unified Development Ordinance (UDO).

The City-County Inspections Department receives permit applications for all construction trades (building, electrical, plumbing, mechanical and fire), reviews plans and specifications (including Fire Prevention plan reviews), issues permits for all construction activity, and follows up with field inspections to determine compliance with all applicable codes and the UDO. The Department also provides daycare facility inspections, semi-annual inspections of all public schools, inspections for the Durham Housing Authority, follow-up inspections in response to citizens' concerns, Board of Adjustment case reviews, Site Plan/Preliminary Plat/Final Plat case reviews, and Re-zoning case reviews.

The current level of service supports economic development activities that increase citizen access to high quality jobs while increasing the City's tax base. This level of service leads to a strong and diverse economy by providing assistance to encourage new and existing development and providing prompt, efficient, and professional plan review and inspection services. In addition, the current level of service provides assistance with efforts to improve the livability of the city, encouraging thriving, livable neighborhoods by managing the City's growth, protecting and preserving the environment, and maximizing the use of public infrastructure by providing plans review and inspections for all renovation/remodeling and new construction activities. This service helps ensure that all residential and commercial construction meets the NC State Building Codes for safety and health, as well as complying with the UDO requirements, which are structured to preserve and protect the environment.

The Inspections Department also provides electrical, plumbing, and mechanical inspections for Neighborhood Improvement Services' projects, in order to assist them in their efforts to eliminate substandard housing (leading to safe and secure communities).

In a continuing effort to reduce crime in Durham (to assist in ensuring a safe and secure community), field inspectors have been trained to recognize potential crime situations so that they can report any suspicious activities directly to 911 by using their cell phones. In addition, the Inspections Department completed another update class with the Police Department on "City-Wide Eyes" (formerly known as "Eyes and Ears") this past fiscal year, which included information on the recognition of suspicious activity. An additional update training class was coordinated with the Police Department and took place on February 22<sup>nd</sup>, 2017.

An initiative the Inspections Department implemented in previous years (in cooperation with the Police Department and the 911 Center) allows the 911 Center to send text messages over the Inspections Department's cell phones when a crime has occurred and they need field inspectors to be on the lookout for a suspect or a vehicle involved in a crime.

## RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 3,456,471	\$ 3,693,391	\$ 3,733,391	\$ 4,020,688	8.9%
Operating	199,140	250,041	244,425	258,579	3.4%
Capital and Other	-	-	42,000	23,000	100.0%
Total Appropriations	\$ 3,655,611	\$ 3,943,432	\$ 4,019,816	\$ 4,302,267	9.1%
Full Time Equivalents	46	46	46	50	4
Part Time	3	3	3	3	-
Revenues					
Special Revenue Fund	\$ 3,655,611	\$ 3,943,432	\$ 4,019,816	\$ 4,302,267	9.1%
Total Revenues	\$ 3,655,611	\$ 3,943,432	\$ 4,019,816	\$ 4,302,267	9.1%

## DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

**Program:** Inspection Services

**Inspections Fund:** \$4,302,267  
**FTEs:** 50

Building Trade	\$1,964,412	23.4 FTEs
Electrical Trade	\$987,521	11.5 FTEs
Plumbing Trade	\$593,410	6.5 FTEs
Mechanical Trade	\$756,924	8.6 FTEs

**Goal:** Thriving and Livable Neighborhoods

**Objective:** To provide for the safety and health of citizens by ensuring that all construction meets the North Carolina State Building Codes by performing two quality control inspections per inspector per month.

**Initiative:** Appropriate Chief Inspector/Field Supervisor will report status of quality control inspections monthly during departmental staff meetings.

Measures:	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
# Quality control inspections per inspector per month	2.5	2.0	2.3	2.0
% Inspections found to be accurate	99%	98%	99%	98%
# Quality control checks	746	648	748	648



**Objective:** To provide accurate and prompt plan review by reviewing 90% of all residential plans within 5 working days.

**Initiative:** Utilize express review program. The status will be reported monthly during departmental staff meetings.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Residential plans reviewed in 5 days	76%	90%	90%	90%
% Plan errors found in field	0.52%	1%	0.95%	1%
# of plans reviewed	3,668	3,564	3,454	3,557

**Objective:** To provide timely response to customer requests by responding to requested inspections within 24 hours 90% of the time.

**Initiative:** Appropriate Chief Inspector/Field Supervisor will report status of response time monthly during departmental staff meetings.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Inspections performed within 24 hours	95%	90%	93%	90%
# Inspections per inspector per day	23.0	20.0	24.0	20.0
# of Inspections performed	113,434	115,000	128,078	130,000

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#### **BUDGET ISSUES FOR FY 2017-18**

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- Recently enacted State mandate requires single permits and inspections (mechanical and electrical) for HVAC replacements. We are still sending our Mechanical Inspectors to training classes to obtain their Electrical certifications.
- Continuous enhancements to the Land Development Office (LDO) software.
- Will continue to provide limited cross-training for Mechanical and Plumbing certification in the Mechanical and Plumbing Divisions for specific types of projects.
- Additional training associated with the upcoming adoption of the new North Carolina Electrical Code (training for electrical inspectors and electrical contractors), as well as the adoption of upcoming revisions of North Carolina Building, Mechanical, Plumbing, and Fire Codes.
- We are requesting approval of one additional Mechanical Inspector for the upcoming fiscal year.
- Additional training associated with the implementation of the new plans review software.

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#### **ACCOMPLISHMENTS FOR FY 2016-17**

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- Provided plans review, field inspections, and customer service efforts for over \$1.4 billion worth of construction value for construction projects.
- Set new records regarding the number of permits issued. The Electrical Division issued 11,027 permits; the Plumbing Division issued 5,335 permits; and the Mechanical Division issued 9,139 permits. The total number of permits issued by the Department was 30,672 permits.

- Inspected all public schools twice during the year, and all new daycare facilities.
- Conducted requested inspections within 24 hours, over 90% of the time.
- Maintained 100% compliance with the Fleet Preventive Maintenance program.
- Performed two quality assurance inspections behind each field inspector each month.
- Provided a bi-lingual employee in the Administrative Division and two bi-lingual employees in the Plans Review Division to support the City's Hispanic initiatives.
- Participated in economic development projects such as : Bayer Crop Science Greenhouse project, Argos Therapeutics project, United Therapeutics renovations, Purdue Pharmaceutical Manufacturing up-fit, Novan Therapeutics, Syngenta Data Center, Del Webb Carolina Arbors residential community project, Creekside at Bethpage residential community project, Duke University Wallace Wade Stadium renovations project, Duke University Cameron Addition and Parking Garage project, Duke University Arts Building, Duke University Joseph Wadsworth Eye Center Renovation project, Duke University W.D. Murray Building, Duke University Health and Wellness Center, Duke University Nursing Unit Renovation, Duke University West Union Building, Duke University Thomas Center, Fuqua School of Business, Chesterfield Building Renovation project, Triangle Business Center project, JA Whitted School Renovations and Addition, Danbury Hall at Imperial Center, KIPP Durham College Preparation Addition, Southpoint Professional Building, multiple new apartment complexes and hotel projects (for example: The Brannan Apartments, Woodfield Gateway Apartments, Avellan Springs Apartments, Liberty Warehouse Apartments, Davis Drive Apartments, Solis at Ninth Street Apartments, The Reserve at Park Place Apartments, Ellis Road Apartments, Woodstone Apartments, 21C Hotel, Marriott Residence Inn Hotel, A-Loft Hotel, Hotel Durham, Home 2 Suites by Hilton, Millenium Hotel renovations, Convention Center and Marriott Hotel renovations, etc.), Durham City Center 29 story high-rise project, Solar Farm projects, Jack Tar Hotel and Parking Deck renovations, Sentinel Data Center and Phase II project, Fed X Ground Distribution Center, the old Durham County Judicial Building renovations, Research Triangle Institute project, the new Durham Police Headquarters, Google Fiber projects, Amazon Distribution Center, etc.
- Participated in successful 911 and Police Department "City-Wide Eyes" program that sends text message notification to field inspectors about break-ins, robberies, etc.
- Completed another "City Wide Eyes" training session, led by the Durham Police Department.
- Created three new permit screens for LDO (Stocking, Partial Occupancy, and Multi-Trade).
- Continuing to assist with the construction on the City Center project, including weekly reviews of their Noise Ordinance Variance requests for on-going concrete pours.
- Partnered with the Habitat for Humanity Home Builders Blitz Program in Northeast Central Durham providing night and weekend inspections, as well as "top priority" inspections; thereby assisting with the City's and County's affordable housing initiatives and the fight against poverty initiatives.
- Partnered with Habitat for Humanity as they constructed 19 new homes in Census Tract 10.01 during FY 2017, as well as 2 historic rehabilitation projects and 2 repair projects.
- Participated in specialized training by the Stormwater Division of Public Works to train our field inspectors to be extra eyes and ears in the field to report illegal dumping into the City's stormwater drains.

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#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

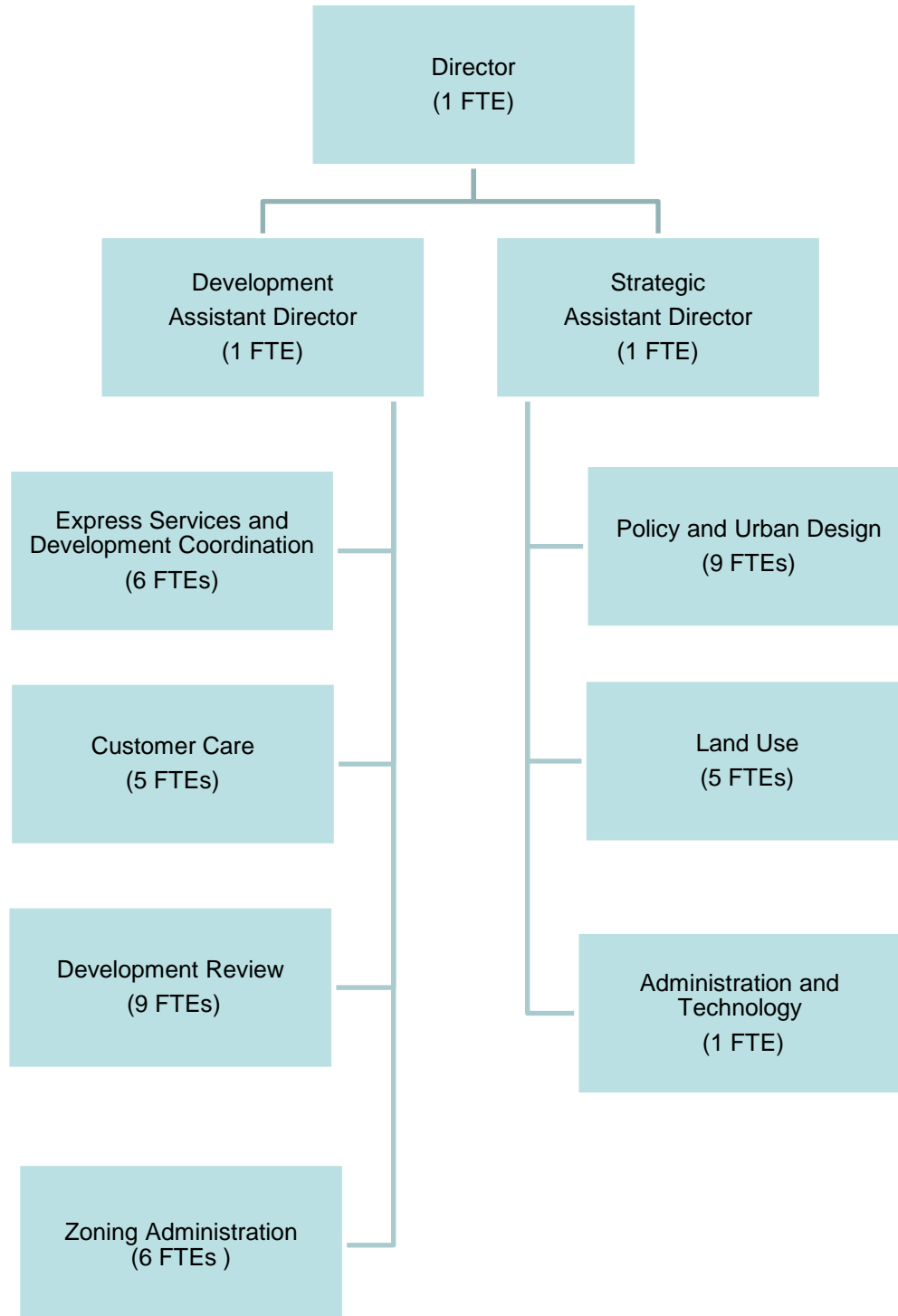
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- Assist in the reduction of the incidence of crime through participation in the "City-Wide Eyes" program, provide updated training, and continue with participation in the text-messaging initiative with the Police Department and the 911 Center.
- Assist with enforcement of the UDO (Unified Development Ordinance) Resource Protection provisions.
- Implement enhancements to the LDO software.
- Assist with Pothole Hotline program, whereby field inspectors report potholes.
- Assist with Keep Durham Beautiful program, whereby field inspectors report violations.
- Assist with Leadership in Energy and Environmental Design/Green Build (LEED) by training staff in LEED issues, and by reviewing and approving systems in water reclamation.

- Continue to provide cross-training for Mechanical and Electrical certification in the Mechanical Division for specific types of projects.
- Improvements to Departmental website, including comprehensive listing of “Frequently Asked Questions”.
- Fully implement the new plan review software program.
- Develop and implement the new inspections scheduling software, which will streamline the process for setting up appointments for homeowners with HVAC replacements.
- Continue to partner with Habitat for Humanity in their efforts in Census Tract 10.01, as well as their efforts in Northeast Central Durham.



# City-County Planning (44 FTEs)



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## DURHAM CITY - COUNTY PLANNING

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### **Purpose Statement:**

To guide the orderly growth and enhancement of the Durham community while preserving its cultural heritage and natural resources.

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### DEPARTMENT DESCRIPTION

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#### **Planning**

**General Funds: \$3,772,028**  
**43 FTEs**

**Grant Funds: \$43,042\***  
**1 FTE**

The Durham City-County Planning Department was established under NCGS § 153A-321 and NCGS § 160a-361, through an Interlocal agreement with Durham County. The Planning Department serves as the professional planning agency for both the City and County. The Department performs complex land use evaluations and provides plans, reports, information, and recommendations to elected boards, City and County Managers, seven appointed boards and commissions, and the general public. The Department is also the lead department in implementing and enforcing regulatory controls on development applications. The Department works collaboratively with City, County, state, and federal agencies on land use issues. An annual Planning Department Work Program is presented to the City Council and Durham County Board of County Commissioners for adoption in accordance with the Interlocal agreement.

#### **Development**

The Department processes and reviews all proposals for new development to ensure that they are consistent with adopted City and County policies, plans (including the *Durham Comprehensive Plan*), the provisions of the *Unified Development Ordinance* (UDO), and other applicable ordinances. Development Review and Express Review staff reviews and approves administrative applications. Land Use staff prepares professional recommendations about development proposals to quasi-judicial and elected boards. Staff also provides support to various joint City-County boards and commissions including the Historic Preservation Commission, the Board of Adjustment, and the Planning Commission. The Department manages physical and digital records as required by State statutes and the UDO.

#### **Zoning Administration**

Staff ensures compliance with adopted regulations and conformance with granted approvals and manages physical and digital records as required by State statutes and the UDO.

#### **Policy and Urban Design**

The Department prepares and updates the *Durham Comprehensive Plan*; prepares plans, policies, programs, and recommendations about land use, historic preservation, urban design, environmental protection, trails and greenways, and open spaces to preserve Durham's natural and cultural resources. The Department participates in planning for regional transit; provides demographic support to the City and County of Durham; plans, organizes, and facilitates urban design studios for specific topics or special projects; and prepares proposed amendments to the *Unified Development Ordinance*. Staff also provides assistance to various advisory City-County boards and commissions including the Appearance Commission, Durham Open Space and Trails Commission, the Environmental Affairs Board, and the Joint City-County Planning Committee.

#### **Customer Care**

Through the Development Services Center and an extensive website, the Department provides a wide range of information to the public about properties, planning, and development in Durham.

*\*Grant funding from the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (DCHC MPO) for one full-time, temporary planner position received by the Transportation Department and passed through to Planning.*

## RESOURCE ALLOCATION TABLE

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<i>Non-Grant</i>					
Appropriations					
Personal Services	\$ 2,876,286	\$ 3,199,334	\$ 3,199,334	\$ 3,460,853	8.2%
Operating	248,910	313,414	312,771	300,414	-4.1%
Capital and Other	-	5,000	3,866	-	-100.0%
Transfers	-	10,761	10,761	10,761	0.0%
Total Appropriations	\$ 3,125,196	\$ 3,528,509	\$ 3,526,732	\$ 3,772,028	6.9%
Full Time Equivalents	38	43	43	43	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 984,644	\$ 1,003,594	\$ 782,242	\$ 1,118,514	11.5%
Program	2,140,552	2,524,915	2,744,490	2,653,514	5.1%
Total Revenues	\$ 3,125,196	\$ 3,528,509	\$ 3,526,732	\$ 3,772,028	6.9%
<i>Grant</i>					
Personal Services	\$ 60,140	\$ 49,920	\$ 49,920	\$ 43,042	-13.8%
Operating	-	-	-	-	0.0%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 60,140	\$ 49,920	\$ 49,920	\$ 43,042	-13.8%
Full Time Equivalents	1	1	1	1	-
Part Time	-	-	-	-	-
Transportation Planning					
Grant Revenue	\$ 60,140	\$ 49,920	\$ 49,920	\$ 43,042	-13.8%
Total Grant Revenue	\$ 60,140	\$ 49,920	\$ 49,920	\$ 43,042	-13.8%
Total Budget	\$ 3,185,336	\$ 3,578,429	\$ 3,576,652	\$ 3,815,070	6.6%

## DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

<b>Program:</b>	<b>Development</b>	<b>General Fund: \$1,928,879</b>		
		<b>FTEs: 22.5</b>		
<b>Goal:</b>	Strong and Diverse Economy			
<b>Objective:</b>	Review public and private land development proposals within the completion and milestone deadlines established by the Unified Development Ordinance (UDO) and the Planning Director.			
<b>Initiative:</b>	A monthly report provided to Planning Director which details on-time compliance with adopted standards and identifies areas that need improvement.			
<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of reviews of public and private land development proposals completed within established deadlines	82%	90%	94%	90%

**Objective:** Review public and private land development proposals in a high-quality manner.  
**Initiative:** A monthly report provided to Planning Director which details quality control compliance with adopted standards and identifies areas that need improvement.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of reviews of public and private land development proposals evaluated by the appropriate Work Group Supervisor as high quality	95%	90%	96%	90%

**Objective:** Review public and private land development proposals in a manner that achieves a high level of customer satisfaction.  
**Initiative:** A monthly report provided to Planning Director which includes a summary of survey results and identifies areas that need improvement.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of surveyed customers that are "satisfied" or "very satisfied" with the overall Development Review, Express Review, and Land Use reviews of public and private land development proposals	91%	90%	90%	90%

**Objective:** Workload: Evaluate caseload trends to ensure adequate staffing of Development activities, including Development Review, Land Use, and Express Review.  
**Initiative:** A monthly report to Planning Director that provides information on caseload quantity.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Number of zoning map changes	45	45	38	30
Number of Board of Adjustment cases	39	38	34	34
Number of subdivision cases	298	280	327	300
Number of site plans	370	375	360	320
Number of COA cases	128	118	118	115
Number of comprehensive plan amendments	23	20	15	12
Number of sign permits	32	420	605	600

**Program:** **Zoning Administration** **General Fund: \$492,935**  
**FTEs: 5.75**

**Goal:** Thriving and Livable Neighborhoods  
**Objective:** Enforce and administer the regulations of the UDO within the deadlines established by the Planning Director.  
**Initiative:** A monthly report provided to Planning Director which details on-time compliance with adopted standards and identifies areas that need improvement.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of zoning enforcement case files brought into compliance within established timeframes (New in FY18)	N/A	N/A	N/A	90%
Percent of zoning enforcement and site compliance case files, including LDO data, containing required materials and	98%	95%	96%	N/A

accurate information (Combined with close-out measure, below, for FY18)

**Objective:** Enforce and administer the regulations of the UDO in a manner that achieves a high level of quality.

**Initiative:** A monthly report provided to Planning Director which details quality control compliance with adopted standards and identifies areas that need improvement.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of zoning enforcement and site compliance files that are complete and accurate, including LDO data, at the time of close-out	95%	90%	97%	90%

**Objective:** Enforce and administer the regulations of the UDO in a manner that achieves a high level of customer satisfaction.

**Initiative:** A monthly report provided to Planning Director which includes a summary of survey results and identifies areas that need improvement.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of surveyed customers evaluating the zoning enforcement or site compliance activity they experienced as "good" or better on customer satisfaction surveys	N/A	90%	90%	90%

**Objective:** Workload: Evaluate caseload trends to ensure adequate staffing of enforcement activities.

**Initiative:** A monthly report to Planning Director that provides information on caseload quantity.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
The number of zoning enforcement cases initiated	921	1,400	1,167	1,200
The number of site compliance cases initiated	371	N/A (included above)	490	400
Average number of FTEs initiating zoning administration cases	3.0	4.0	4.3	4.5
Average number of cases per FTE	345	350	363	350

**Program:** Policy and Urban Design

**General Fund:** \$835,847

**FTEs:** 8.75

**Grant Fund:** \$43,042

**FTE:** 1.00

**Goal:** Thriving and Livable Neighborhoods

**Objective:** Prepare plans, policies, program and recommendations within the completion and milestone deadlines established by the adopted Work Program and the Planning Director.

**Initiative:** Utilize individual project plans to assess on time compliance with adopted standards and identifies areas that need improvement.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of work products completed or milestones reached within established deadlines	94%	90%	96%	90%

**Objective:** Prepare plans, policies, program and recommendations in a manner that achieves a high level of quality.



**Initiative:** A monthly report provided to Planning Director which details quality control compliance with adopted standards and identifies areas that need improvement.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of work program projects evaluated by the Supervisor as high quality	95%	90%	96%	90%

**Objective:** Prepare plans, policies, programs, and recommendations in a manner that achieves a high level of customer satisfaction.

**Initiative:** A monthly report provided to Planning Director which includes a summary of results and identifies areas that need improvement.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of staff recommendations in strategic planning projects approved by the governing board(s) (New in FY18)	N/A	N/A	N/A	90%
Percent of surveyed stakeholders evaluating the preparation of plan and policies as "Good" or better on customer satisfaction surveys (Not used in FY18)	N/A	90%	90%	N/A

**Program:** Customer Care

**General Fund:** \$514,367  
**FTEs:** 6.0

**Goal:** Strong and Diverse Economy

**Objective:** Provide information about property, development, and regulations within deadlines established by the Planning Director.

**Initiative:** A monthly report provided to Planning Director which defines on-time compliance with adopted standards and identifies areas that need improvement.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of public information inquiries responded to within departmentally-established deadlines	96%	90%	90%	90%

**Objective:** Provide information about property, development, and regulations in a manner that achieves a high level of quality.

**Initiative:** A monthly report provided to Planning Director which includes a summary of quality monitoring results and identifies areas that need improvement.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of responses to public inquiries evaluated by the Supervisor as high quality	97%	90%	90%	90%

**Objective:** Provide information about property, development, and regulations in a manner that achieves a high level of customer satisfaction.

**Initiative:** A monthly report provided to Planning Director which includes a summary of survey results and identifies areas that need improvement.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Percent of surveyed customers that are "satisfied" or "very satisfied" with the information they received about property, development, and regulations	92%	90%	90%	90%

**Objective:** Workload: Evaluate the number of customers assisted to ensure adequate staffing.

**Initiative:** A monthly report to Planning Director that provides information on the number of customer service contacts.

<b>Measure:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
The number of customers assisted by Development Services Customer Care staff	22,655	21,000	22,413	26,000
Average number of FTEs assisting customers	3.8	5.0	4.5	6.0
Average number of customers assisted per FTE	5,664	5,250	5,000	5,000

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#### **BUDGET ISSUES FOR FY 2017-18**

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- A significant proportion of the Planning Department's work is mandated by City and County Interlocal agreements, including those for joint planning, open space and trails planning, historic preservation, appearance and environmental planning.
- Work priorities and assigned work program tasks shift throughout the year based on changes in direction from both elected boards, City and County Managers and the Joint City-County Planning Committee.
- Planning Department operational expenses are largely driven by legal requirements in the UDO, City Code, and state legislation.
- The Department has been reacting to new state legislation and court cases related to UDO requirements placing unexpected demands on the work program.
- Employee retention and professional growth opportunities.

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#### **ACCOMPLISHMENTS FOR FY 2016-17 (PROJECTED END OF YEAR (EOY))**

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- Provided timely review and processing of development applications (projected EOY):
 

Site Plans	360
Subdivisions	327
Board of Adjustment Cases	34
Certificates of Appropriateness	118
Zoning Map Changes	38
Comprehensive Plan Map Amendments	15
Building Permit Reviews	857
Sign Permit Reviews	605
Common Signage Plan Reviews	34
Street Closings	7
Outdoor Seating Permit Reviews	8
Architectural Reviews	2
Home Occupation Permits	333
Temporary Use Permits	87
Street Vendor Registrations	154
Limited Agriculture Permits	7
- Provided timely enforcement of the UDO:
 

Zoning Enforcement Cases Initiated	1,167
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- Coordinated the review of three Selective Vegetation Removal Permits for consideration by NCDOT.
- Coordinated with the Police Department to verify use for 87 ABC permit applications.
- Coordinated with the City-County Inspections Department to verify use before electrical reconnection for 158 properties.
- Coordinated with the County Sedimentation and Erosion Control Office for single-family grading permits for 22 properties.
- Verified use or change of use for 462 properties in addition to those listed above, including 19 family care homes/group homes.
- Continued development process improvements, including “Development Roundtable” committee, where representatives from the development community meet monthly with the directors from Planning, Public Works, and Inspections on issues or concerns.
- Completed recertification of Durham County’s participation in the National Flood Insurance Program (NFIP) Community Rating System (CRS).
- Managed the consolidated annexation process for seven petitions.
- Enforced standards for mobile vendors as directed by the City Manager.
- Enforced outdoor seating standards in the Downtown Design District as directed by the City Manager.
- Enforced regulations for spacing of group and family care homes.
- Developed and implemented a zoning enforcement patrol program.
- Completed or worked on significant revisions to the UDO, including:
  - Revisions to the Signs Article with the assistance of a consultant;
  - Updates to Design District Regulations;
  - Omnibus Changes X;
  - Historic Preservation and Other Changes;
  - Technical Revisions to Wireless Communications Facilities Regulations;
  - Traffic Impact Analysis Revisions, and
  - Mass Grading Buffers.
- Contracted with a vendor to create and maintain a web-based, searchable *Unified Development Ordinance*.
- Completed the annual Evaluation and Assessment Report of the *Durham Comprehensive Plan*.
- Participated in a multi-departmental effort to work with the Triangle Transit Authority to develop and implement a Regional Transit Plan.
- Developed a Request for Qualifications seeking a consultant to continue work on the multi-year Station Area Strategic Infrastructure (SASI) project to evaluate needed infrastructure improvements around proposed regional transit stations.
- Worked with GoTriangle to manage an FTA transit grant for a variety of station area planning tasks.
- Adoption of Compact Neighborhood Tier amendments by the City Council and Board of County Commissioners.
- Initiated work on three Compact Neighborhood station area design districts, and develop suburban station Compact Design District regulations.
- Adoption of the East End Land Use Study by the City Council and Board of County Commissioners.
- Adoption of the Urban Open Space Plan by the City Council.
- Initiated the development of a Commercial Infill zoning district for the Angier/Driver commercial area.
- Initiated the development of a Neighborhood Protection Overlay for Old West Durham.
- Continued work on a historic district preservation plan for an expanded Cleveland-Holloway Local Historic District.
- Adoption of the Golden Belt Historic District and preservation plan by the City Council.
- Maintained Certified Local Government Status for historic preservation.
- Initiated the development of a Comprehensive Plan Community Profile.
- Worked with the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization on data collection and analysis as well as transportation modeling for the development of the next Metropolitan Transportation Plan.
- Participated in Triangle J Council of Government (TJCOG) planning efforts including the Center of the Region (CORE) Project and the Smart Growth Committee.
- Managed the Customer Service Center and provided timely response to all general public inquiries.

- Coordinated with all 42 workgroups within the City, County, other agencies, and advisory boards that review development proposals and developed Memoranda of Agreement (MOA) with each one related to the new Development Services Center.
- Opened the Development Services Center, with the assistance of City-County Inspections and City Public Works, on schedule and within budget.
- Worked with Technology Solutions to create a web subsite for the Development Services Center, started building a knowledge base and frequently-asked questions for all the workgroups that review development proposals, and began using the website to track customer service requests.
- Staffed seven appointed boards and commissions, as well as participated in numerous regional committees:
  - Joint City-County Planning Committee;
  - Planning Commission;
  - Board of Adjustment;
  - Historic Preservation Commission;
  - Environmental Affairs Board;
  - Durham Open Space and Trails Commission, and
  - Appearance Commission.
- Assisted in the development and presentation of the legislative agenda.
- Worked with multiple departments on enhancements to the Land Development Office (LDO) database.
- Performed demographic analysis for the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization (MPO).
- Provided Departmental GIS and computer hardware and software support.

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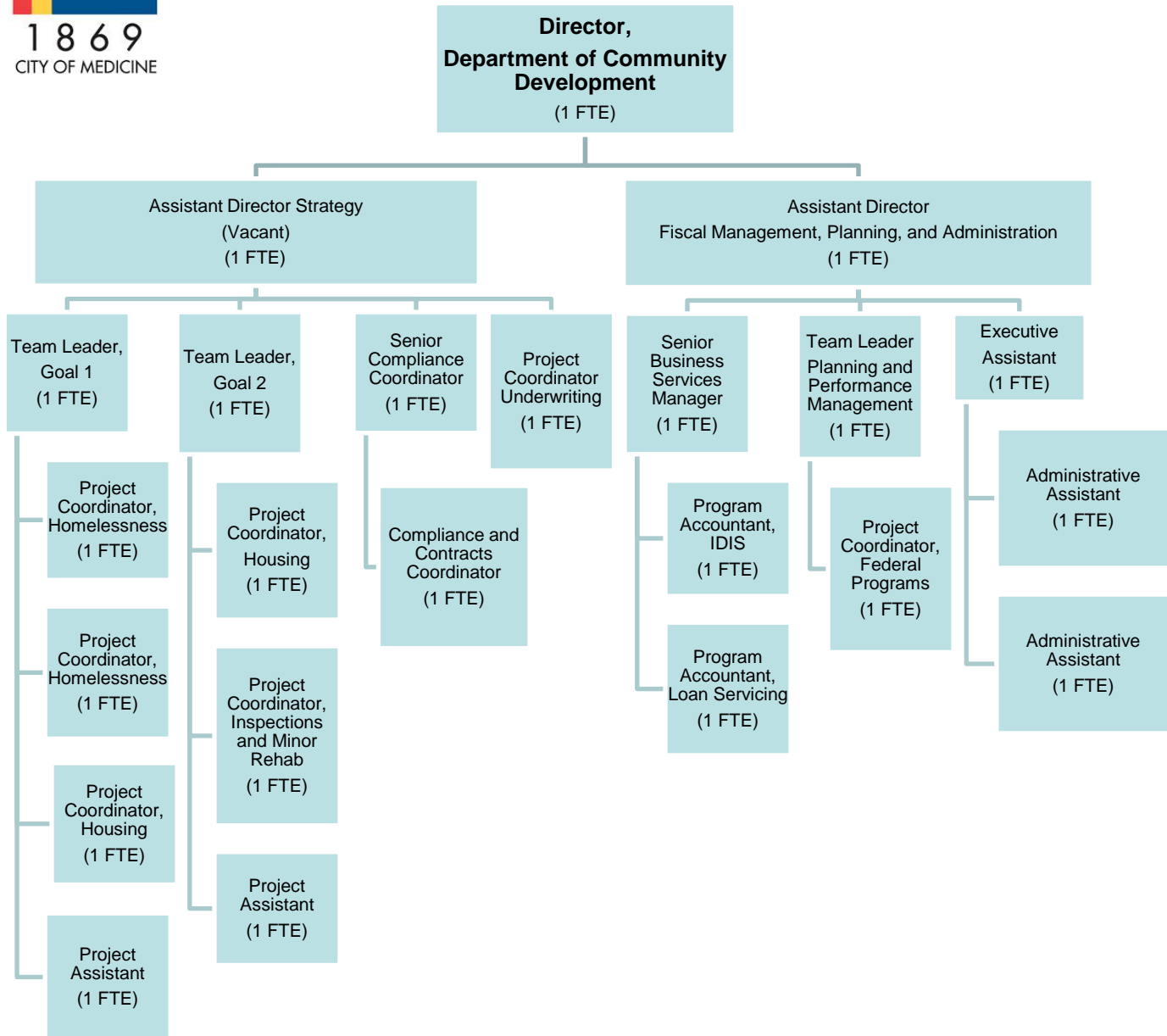
#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

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- Continue on-going work activities as defined in the adopted annual Work Program.
- Continue to make significant improvements to the UDO and development review processes.
- Continue work on the multi-year Station Area Strategic Infrastructure study, with the assistance of consultants.
- Complete the Annual Evaluation and Assessment Report for the *Durham Comprehensive Plan*.
- Continue ongoing technical amendments to the UDO.
- Respond to mandates from the NC General Assembly regarding development regulations.
- Adoption of the Design Districts Updates UDO text amendment by the City Council and Board of County Commissioners.
- Adoption of revisions to the UDO Signs Article with the assistance of a consultant.
- Maintain Certified Local Government status.
- Maintain the NFIP Community Rating System certification for Durham County.
- Continue work on three Compact Neighborhood station area design districts, and develop suburban station Compact Design District regulations.
- Initiate work on the remaining two Compact Neighborhood station area design districts
- Continue to work with GoTriangle to manage an FTA transit grant for a variety of station area planning tasks.
- Continue work on the Comprehensive Plan Community Profile.
- Adoption of the Commercial Infill zoning district to the Angier/Driver commercial area.
- Adoption of a Neighborhood Protection Overlay for Old West Durham.
- Continue the zoning enforcement patrol program as resources permit.
- Continue to convert existing paper files to digital files with the assistance of youth interns, temporary staff, and a scanning contractor.
- Work with the Durham-Chapel Hill-Carrboro Metropolitan Planning Organization on data collection and analysis as well as transportation modeling for the development of the next Metropolitan Transportation Plan.



# Community Development (23 FTEs)



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## COMMUNITY DEVELOPMENT

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### Purpose Statement:

The mission of the Department of Community Development is to foster safe, decent and sustainable neighborhoods and to enhance housing quality and affordability for the citizens of Durham.

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### DEPARTMENT DESCRIPTION

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**General Fund: \$2,030,029**

**15 FTEs**

**Dedicated Housing Fund: \$5,360,347**

**1 FTE**

**Grant Funds: \$3,450,000**

**7 FTEs**

### Fiscal Management and Planning Administration Division

This Division provides oversight and administration of managerial functions that are required for daily operations of the department. While this Division does not have any programs associated with it, it performs many roles that are included in the programs under Housing Development and Project Administration. These roles involve Departmental management, HUD reporting, consolidated planning, compliance and monitoring, fiscal and budgetary management, loan portfolio management and servicing, Integrated Disbursement Information Systems (IDIS) data management, and housing counseling. Program administration will effectively manage entitlements, recovery funds, other grants, and the Department of Community Development (DCD) programs to ensure fiscal responsibility through internal controls, and compliance monitoring, and continue to realign services to better meet the needs of citizens, non-profits, for-profits, and the community.

### Housing Development and Project Administration Division

This Division provides oversight and administration of community development, housing development, community revitalization and redevelopment projects; programs and services intended to stabilize communities through housing production; public service delivery; IDIS grant reporting and project performance; homebuyer initiatives; housing rehabilitation; federal grant programs; customer service; and partnerships with non-profit and for profit entities. The following specific programs are administered under this Division:

Neighborhood Revitalization & Affordable Housing Program: This program seeks to increase the rate of homeownership and the supply of quality affordable rental housing in targeted and non-targeted neighborhoods. Additionally, this program focuses on revitalizing neighborhoods with the objective of alleviating disinvestment.

Homeless Systems Coordination: This program seeks to reduce the number of homeless families and individuals in Durham through methods of case management, essential services, permanent housing with supportive services, and rapid re-housing. Additionally, this program enables the administration and coordination of Continuum of Care (COC) and the Homeless Services Advisory Committee (HSAC). This program also provides operating expenses for emergency shelters.

HOPWA Program: The Housing Opportunities for Persons With AIDS (HOPWA) program helps HIV/AIDS-positive individuals improve their health by providing stable housing as a basis for increased participation in comprehensive care.

## RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<i>Non-Grant</i>					
Appropriations					
Personal Services	\$ 1,246,337	\$ 1,575,900	\$ 1,487,992	\$ 1,686,175	7.0%
Operating	2,063,202	1,020,152	2,438,951	2,944,194	188.6%
Capital and Other	-	-	-	2,760,007	100.0%
Transfers	100,000	-	-	-	0.0%
Total Appropriations	\$ 3,409,539	\$ 2,596,052	\$ 3,926,943	\$ 7,390,376	184.7%
Full Time Equivalents	15	15	15	16	1
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 1,628,607	\$ 1,888,077	\$ 2,175,429	\$ 2,030,029	7.5%
Program	500	-	-	-	0.0%
Total General Fund	\$ 1,629,107	\$ 1,888,077	\$ 2,175,429	\$ 2,030,029	7.5%
Dedicated Housing Fund	1,780,432	707,975	1,751,514	5,360,347	657.1%
Total Revenues	\$ 3,409,539	\$ 2,596,052	\$ 3,926,943	\$ 7,390,376	184.7%
<i>Grant</i>					
Personal Services	\$ 510,957	\$ 508,843	\$ 459,784	\$ 507,000	-0.4%
Operating	3,064,665	3,410,164	2,460,482	2,943,000	-13.7%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 3,575,622	\$ 3,919,007	\$ 2,920,266	\$ 3,450,000	-12.0%
Full Time Equivalents	7	7	7	7	-
Part Time	-	-	-	-	-
Revenues					
CDBG	\$ 2,245,289	\$ 2,226,378	\$ 1,695,392	\$ 1,950,000	-12.4%
HOME	1,068,233	1,250,377	1,009,646	1,050,000	-16.0%
Emergency Shelter	136,802	160,046	144,676	160,000	0.0%
HOPWA - Hsg Oppty 4	-	282,206	70,552	290,000	2.8%
NSP 1	125,298	-	-	-	0.0%
NSP 3	-	-	-	-	0.0%
EPA	-	-	-	-	0.0%
Total Revenues	\$ 3,575,622	\$ 3,919,007	\$ 2,920,266	\$ 3,450,000	-12.0%
Total Budget	\$ 6,985,161	\$ 6,515,059	\$ 6,847,209	\$10,840,376	66.4%

## DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

<b>Program:</b>	<b>Neighborhood Revitalization &amp; Affordable Housing Program</b>	<b>General Fund:</b>	<b>\$1,750,823</b>
		<b>FTEs:</b>	<b>11</b>

**Dedicated Housing Fund: \$4,941,840**  
**FTE: 1**

**Grant Funds: \$2,928,300**  
**FTEs: 5**

**Goal:** Thriving, Livable Neighborhoods

**Objective:** To produce green, affordable rental housing to meet highest need populations, particularly households at or below 50% AMI.

**Objective:** To preserve existing affordable rental housing serving households at or below 50% AMI, particularly in appreciating neighborhoods such as Southwest Central Durham (SWCD), Southside and Northeast Central Durham (NECD).

**Initiative:** To produce 85 green, affordable rental units at the Lofts at Southside Phase II.

**Initiative:** To complete the preservation project of Piedmont Rentals in Southside.

**Initiative:** To increase the capacity of non-profit developer entities and developer partners through monitoring and technical assistance in order to create more affordable rental opportunities for citizens.

Measures:	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
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# of affordable rental units created or in production	20	152	151	87
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# of green affordable rental units created or in production	0	0	0	85
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# rental units preserved	6	78	77	1
% developers monitored without Concerns or Findings at the end of the monitoring cycle	55%	N/A	70%	80%

**Objective:** To create affordable homeownership options in appreciating neighborhoods, particularly in targeted neighborhoods such as Southside and Northeast Central Durham (NECD). The City will work to create homeownership opportunities serving households between 60-80% Area Median Income (AMI).

**Initiative:** To create homeownership opportunities through partnerships with non-profits and non-profit development entities. Opportunities include acquisition of land for homeownership units, providing loans for income-qualifying buyers, and creation of homeownership units.

	Actual	Adopted	Estimated	Proposed
Measures:	FY16	FY17	FY17	FY18

# of homeownership opportunities created (Southside, NECD, SWCD, & Citywide)	33	26	28	26
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# owner-occupied homes rehabilitated/renovated through Minor Repair	26	34	30	30
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	0	1	3	2
# of owner-occupied homes rehabilitated/ renovated				



Delinquency rate relating to the City's loan portfolio	6.0%	6.0%	6.0%	6.0%
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**Program:** Homeless Systems Coordination

**General Fund:** \$193,085  
**FTE:** 3

**Dedicated Housing Fund:** \$418,507  
**Grant Funds:** \$231,700  
**FTE:** 1

**Goal:** Thriving, Livable Neighborhoods

**Objective:** To strengthen the City of Durham homeless housing system.

**Initiative:** Provide funding to partners to increase the number of exits to permanent housing from the homeless housing system and work to reduce the number of days persons remain in a shelter or homeless while also continuing to focus on assisting the most difficult to serve.

**Initiative:** To increase the capacity of subrecipient partners and future partners through monitoring and technical assistance.

**Initiative:** To effectively administer the Continuum of Care through a cooperation agreement with Durham County.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# of days People Remain Homeless	61	110	90	90
% of persons that exit to Permanent Housing from Emergency Shelters	N/A	34%	30%	60%
% of persons that exit to Permanent Housing from Rapid Rehousing	N/A	90%	90%	85%
% subrecipient partners monitored without Concerns or Findings at the end of the monitoring cycle	N/A	N/A	90%	92%
% subrecipient applicants that meet minimum requirement thresholds	N/A	N/A	90%	95%
% new subrecipient applicants that meet minimum requirement thresholds	N/A	N/A	75%	85%

**Program:** HOPWA Program

**General Fund:** \$86,121  
**FTE:** 1

**Grant Funds:** \$290,000  
**FTE:** 1

**Goal:** Thriving Livable Neighborhoods

**Objective:** To provide resources and incentives to devise long-term strategies for meeting the housing needs of low-income persons living with HIV/AIDS and their families.

**Initiative:** Reduce the risk of homelessness for low-income persons living with HIV/AIDS and their families.

**Initiative:** Increase access to appropriate healthcare and other support.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of clients who receive Short Term Rent, Mortgage or Utility (STRMU) assistance and live in stable-permanent housing at end of program year	14%	75%	25%	30%

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#### **ACCOMPLISHMENTS FOR FY 2016-17**

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##### Neighborhood Revitalization & Affordable Housing Program

- Completion of Southside Phase 1 Homeownership
- Construction began on Phase II of Lofts at Southside (approximately 85 units)
- Completion of 79 affordable, senior housing units at Whitted School
- 47 affordable rentals preserved by Woodland Associates.
- 30 affordable rentals preserved in SWCD by DCLT.
- Acquisition of a 3 properties in NECD by Habitat.
- Acquisition of 7 single family lots in SWCD.
- Creation of 12 veterans units at Denson II.

##### Homeless Systems Coordination

- Awarded a Continuum of Care Planning Grant. The Planning Grant will be utilized to determine the best use of the Continuum of Care (CoC) and Emergency Solutions Grant (ESG) funding.
- Average number of days people remain homeless reduced from 120 days to 90 days.

##### Financial Empowerment and Home Retention Program

- Down Payment Assistance provided to 3 low to moderate income home buyers in the Southside Phase I development.
- Down Payment Assistance provided to 9 low to moderate income home buyers for the purchase of homes in SECD & NECD constructed or renovated by non-profits.
- Urgent repairs completed to the homes of 30 elderly or disabled owner-occupants.

##### HOPWA Program

- Duke University Partners in Caring completed the first contract for HOPWA funds. At the end of the contract, 14% of persons receiving Short Term Rent, Mortgage and Utility (STRMU) assistance were in stable, permanent housing at the end of the program year.
- Eighteen month contract awarded to Durham County Department of Social Services for case management for STRMU and Tenant Based Rental Assistance (TBRA). The Housing Authority of the City of Durham was also awarded an 18-month contract for TBRA vouchers.

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#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

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##### Neighborhood Revitalization & Affordable Housing Program

- Begin construction of Southside Phase II Homeownership.
- Completion of Lofts at Southside Phase II (approximately 85 units)
- Construction to be completed on the "Vermillion" (60 affordable rental units).
- Completion of 2 modular rental units in SWCD by DCLT.
- Completion of 2 owner occupied units repaired in SWCD by DCLT.
- Completion of 1 affordable rental in Southside by DCLT (Piedmont Rentals).

- Eight additional properties acquired city wide by Habitat

#### Homeless Systems Coordination

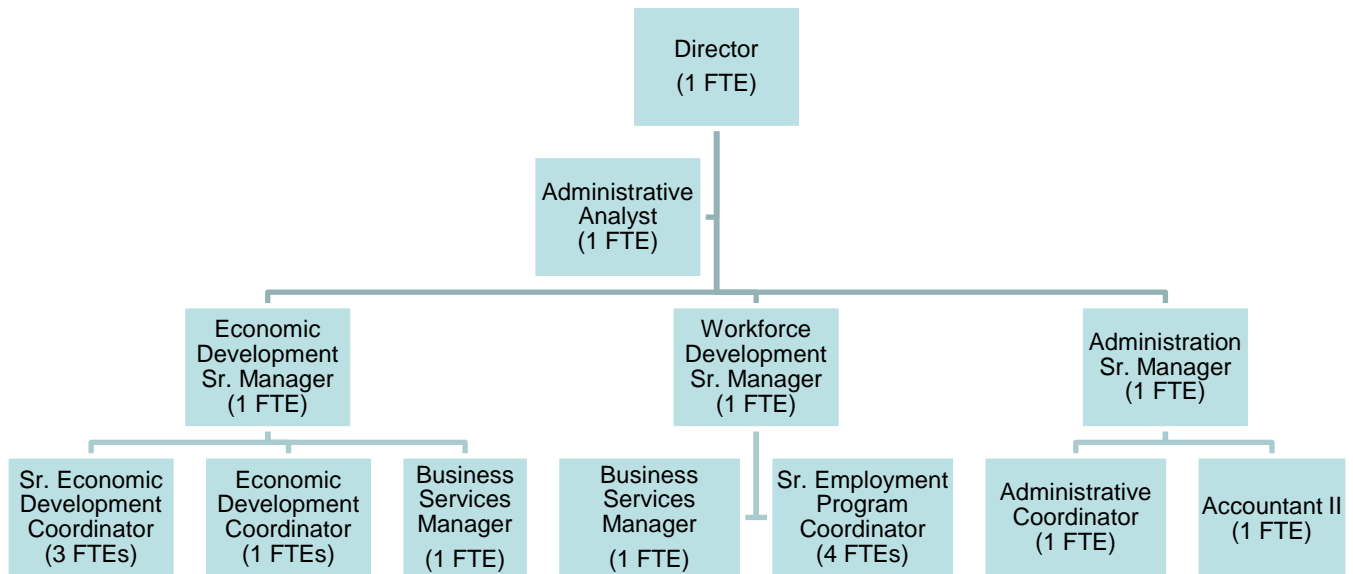
- CoC Planning Grant and outcome of system assessment will be completed.
- % of Persons that exit to permanent housing from emergency shelters will increase from 30% to 60%

#### HOPWA Program

- 30% of persons receiving Short Term Rental, Mortgage or Utility (STRMU) payment assistance live in stable/permanent housing at the end of the program year.



# Office of Economic & Workforce Development (17 FTEs)



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## OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT

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**Purpose Statement:** To innovatively drive economic prosperity in Durham by:

- Revitalizing Durham neighborhoods;
- Increasing Durham's commercial tax base;
- Assisting in attracting, creating, expanding and retaining businesses;
- Fostering a skilled workforce.

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### DEPARTMENT DESCRIPTION

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**Office of Economic & Workforce Development**

**General Fund: \$3,380,387**

**10.5 FTEs**

**Grant Funds: \$1,802,012**

**6.5 FTEs**

#### **Economic Development Division**

The Economic Development Division is charged with executing the City of Durham's economic development strategy, which encourages growth and investment across the City. Our strategy is centered on three major priorities: attracting businesses, revitalizing neighborhoods and creating jobs. The division is dedicated to promoting City initiatives and providing economic tools to business owners interested in relocating to or expanding their companies within the City of Durham. The division coordinates a myriad of economic development incentives and programs with businesses. Our strategy involves building upon the City's strengths to promote existing businesses and retain jobs; to facilitate business expansion and startups; and to recruit new businesses and related employment to the City. Because business recruitment is very competitive, we partner with the State of North Carolina Department of Commerce, the Durham County Government, Downtown Durham, Inc., the Research Triangle Regional Partnership, the Research Triangle Park Foundation, the Greater Durham Chamber of Commerce, the Durham Convention and Visitors Bureau, and a multitude of other economic development organizations and the private sector to ensure that companies utilize the appropriate tools to help start, grow, or locate their businesses in Durham.

The Economic Development Division serves in a myriad of roles to achieve organizational outcomes. Staff members within the division may serve as the following:

- **Initiators** - through analyzing proposals, distributing public funds, investment incentives, and the creation and retention of a favorable economic environment that stimulates growth;
- **Facilitators** - creating public-private partnerships and coordinating activities and communications between different agencies, territories, and stakeholders. It is our job to bring the different stakeholders to the bargaining table, gather resources, mediate and match buyers with suppliers, and facilitate business partnerships; and
- **Conveners** - essential to achieving successful outcomes in collaborative processes, especially when the solutions reached require action by multiple sectors and levels of government.

**Development, Infrastructure and Redevelopment** - Public-private partnerships emphasize working in collaboration with economic development partners on transformative projects through the investment of financial and technical assistance resources that increase the tax base, create jobs, and maximize private-sector investment. These projects contribute to a strong and diverse economy in support of Goal One of the City-wide Strategic Plan. Durham has benefited from several successful public-private ventures. Amenities such as the Durham Performing Arts Center, the Durham Bulls Athletic Park, and the Durham Athletic Park have solidified Durham's growing reputation as a community committed to the expansion of cultural arts. The revitalization of downtown has yielded a thriving City Center, and continues to be an economic engine for startup businesses and entrepreneurs. Neighborhood revitalization has been bolstered and will continue through projects such as Save-A-Lot Food Stores, the redevelopment of the old Y.E. Smith School, and infrastructure projects such as the Angier-Driver Streetscape Project.

The division develops and facilitates the economic development strategies to promote property redevelopment and reuse by taking previously developed properties or areas to a higher, more productive use. Staff facilitate the coordination among developers, banks, regulatory authorities, and private businesses to revitalize neighborhoods, remove blight and improve the quality of life economically.

**Effective Business Development, Attraction, Retention, and Expansion Services** - Provide technical assistance to help businesses start, grow, and relocate to Durham. Partnerships with many of the

mentioned community stakeholders will be essential along with coordination of other City departments. Another key component will be the assessment and evaluation of business services to ensure services are relevant to current business needs. Durham-Based Business Plans are designed to build capacity in Durham's small businesses in order to help them compete for contracting opportunities created by private-sector growth in Durham as well as public sector infrastructure projects. The division develops strategies and public-private partnerships that meet the capital needs of businesses that are not addressed by traditional lending and investment institutions. The programs are targeted to meet the following economic development opportunities: (1) job creation and retention; (2) business creation, retention, and expansion; (3) economic diversification and stability; and (4) support for disadvantaged and underserved businesses. Staff provide project management services and develop economic development strategies to promote business clusters for Durham's targeted neighborhoods by working to facilitate the formation of industry associations, networks, and support centers addressing common needs to help local neighborhood-based businesses implement new technologies and business practices.

**Cultural/Creative Arts Innovation and Tourism Development** – Spearhead and implement a comprehensive planning process for cultural/creative arts and tourism development that creates a coordinated economic development strategy and provides project management and analysis for developer submissions, planning projects, and interagency effort coordination on area-wide initiatives. The division develops, supports, and expands the City's Public Art initiatives and infrastructure. Staff provide expertise and advocacy for public art improvements that stimulate economic development and serve the needs of Durham's creative entrepreneurs, businesses, residents, and visitors.

Staff work in collaboration with the Durham Convention and Visitors Bureau and other community stakeholders to promote heritage/history tourism based on interest in Durham's history, culture, or natural resources. We work to attract new and promote existing Durham-based festivals, celebrations, and events to draw visitors to Durham.

**Sponsorship of Festivals and Events** - The City of Durham recognizes that festivals, parades, and other celebrations play an important role in fostering community well-being, creating local identity, and in contributing to improved quality of life of Durham residents and visitors. Community-based festivals and events reflect the vibrant, distinct, and diverse character of Durham and its residents while offering opportunities to create economic, social, health, and community benefits.

For FY2016 – 2017, the Economic Development Division has facilitated the acquisition of grant funding in support of the following organizations:

- The Center for Documentary Studies (\$55,000 in support of the Full Frame Film Festival)
- The American Dance Festival, Inc. (\$36,000 in support of their FY2016-2017 season)
- The Art of Cool Project (\$30,000.00 in support of the Art of Cool Festival)
- St. Joseph's Historic Foundation, Inc. (\$5,000 in support of the Bull Durham Blues Festival)
- The City of Durham's Holiday Tree Lighting (\$5,000 to purchase 35' Norway Spruce)
- Triangle Projects, LLC (\$62,500 in support of Moogfest)
- Legacy Repertory Company (\$2,000 in support of their Annual Ballet supporting individuals with special needs)

## **Workforce Development Division**

**Planning and Re-engagement** – The Durham Workforce Development Board (DWDB) drives the collaboration between the private- and public-sector members of the Board as well as the staff members of the partner agencies that comprise the NCWorks Career Center system (NCWorks), i.e., the Office of Economic and Workforce Development (OEWD), Durham Technical Community College (DTCC), the Durham Public Schools (DPS), etc.

For the past year, the department focused on the following strategic objectives and initiatives:

- Engaging in partnerships between businesses and the workforce system with an emphasis on steadily growing and quickly growing fields;
- Reimagining and strengthening the NCWorks brand;
- Reconfiguring and/or expanding the scope of work for the DWDB as the single coordinating entity for workforce development programs for businesses and adult and dislocated workers;
- Reconfiguring and/or expanding the scope of work for the DWDB as part of Made in Durham (MID);
- Improving the selection process for and the composition of the DWDB for greater effectiveness and future compliance with the Workforce Innovation and Opportunity Act (WIOA);

- Expanding collaboration with public, private, and nonprofit partners;
- Strengthening the effectiveness of DWDB subcommittees;
- Strengthening and simplifying service delivery; and,
- Strengthening the effectiveness and efficiency of youth-based programs within the community.

Finally, OEWD staff continues to work and collaborate with community members and external agency staff to implement the steps in the Jobs Action Plan for the Transformation in 10 Initiative (formerly the Mayor's Poverty Reduction Initiative). This year, the focus has been on criminal backgrounds as well as budget development.

**Job Preparation and Placement Services** - are delivered through the Durham NCWorks system, which includes the NCWorks Career Centers. This system connects Durham businesses with well-trained talent seeking new employment or upgrading their career paths. Federal and private-sector funding supports training and workforce placement programs for eligible adults, laid-off workers, and youth.

Other special initiatives include the two-year NCWorks system's Jobs Driven National Emergency Grant (JDNEG), which is a hallmark grant of over \$500,000 to OEWD and Durham Technical Community College that provides training in high-demand fields.

The department is continuing to refine the implementation of a demand-driven, Integrated Service Delivery (ISD) system at the Durham NCWorks Career Centers. The main objective of Durham's ISD is more customers receiving skill enhancement services that are critical to the local, regional, and statewide economy and are necessary for meeting the needs of Durham's local employers. ISD is designed to impact key operational objectives by improving access to services; increasing efficiency in the use of limited resources by eliminating duplication; ensuring efficient customer flow; and improving program performance.

The Durham YouthWork Internship Program (DYIP) for youth ages 14-24 continues to build on occupational and life skills. It also supports career exploration for youth in public- and private-sector occupations with an emphasis on high-growth, high-demand careers, e.g., STEAM (Science, Technology, Engineering, Arts, and Mathematics). The DYIP is supported through the contributions of Durham County, DPS, MID, DTCC, and the business community.

**Provision of High Quality Services to Businesses** – Partnerships through the Business Engagement Team, NCWorks, the Adult Provider Collaborative, StepUp Ministry, and many other nonprofit and governmental entities provide resources to businesses for finding top talent. Also, the implementation of workforce development plans with businesses that receive incentives from the City and County, as well as public sector departments that undertake infrastructure projects, are key strategies designed to make the Durham NCWorks system easier for businesses to use and to facilitate job placement and retention for Durham residents. This includes support of pipeline efforts planned and evaluated by the Durham NCWorks Career Center Leadership Team. OEWD promotes the Durham NCWorks Career Centers to business and community stakeholders by doing the following: 1) increasing awareness, 2) creating stronger linkages between the Durham NCWorks Career Centers and businesses through direct outreach, 3) coordinating opportunities for businesses to use the Durham NCWorks Career Centers through recruitment and hiring efforts, and 4) strengthening relationships with local community colleges and universities. OEWD also participates as an active member of regional and statewide business services teams, which involves the coordination of recruitment assistance for area businesses and provision of outplacement services for businesses facing layoffs/closures. Finally, the department continues to support staff members who oversee special grants/initiatives through employer outreach in an effort to develop placement and career exploration opportunities for jobseekers.

## RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
<i>Non-Grant</i>					
Appropriations					
Personal Services	\$ 1,038,454	\$ 1,087,369	\$ 1,079,246	\$ 1,180,772	8.6%
Operating	1,612,437	2,072,969	3,021,761	2,099,615	1.3%
Capital and Other	-	520,000	265,000	100,000	-80.8%
Total Appropriations	\$ 2,650,891	\$ 3,680,338	\$ 4,366,007	\$ 3,380,387	-8.2%
Full Time Equivalents	10	10.5	10.5	10.5	-
Part Time	1	1	1	1	-
Revenues					
Discretionary	\$ 2,646,522	\$ 3,675,338	\$ 4,361,007	\$ 3,377,887	-8.1%
Program	4,370	5,000	5,000	2,500	-50.0%
Total Revenues	\$ 2,650,892	\$ 3,680,338	\$ 4,366,007	\$ 3,380,387	-8.2%
<i>Grant</i>					
Personal Services	\$ 653,833	\$ 439,854	\$ 438,153	\$ 480,992	9.4%
Operating	1,486,712	1,406,103	956,097	1,321,020	-6.1%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 2,140,545	\$ 1,845,957	\$ 1,394,250	\$ 1,802,012	-2.4%
Full Time Equivalents	7	6.5	6.5	6.5	-
Part Time	1	1	1	1	-
Revenues					
EPA Brownfields	\$ 299,480	\$ 275,943	\$ 179,300	\$ 299,998	8.7%
Employment Training	1,841,065	1,502,014	1,214,950	1,502,014	0.0%
SAMHSA	-	-	-	-	0.0%
Total Grant Revenue	\$ 2,140,545	\$ 1,845,957	\$ 1,394,250	\$ 1,802,012	-2.4%
Total Budget	\$ 4,791,437	\$ 5,526,295	\$ 5,760,257	\$ 5,182,399	-6.2%



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**DEPARTMENT PROGRAMS & PERFORMANCE MEASURES**

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**Program:** Downtown Redevelopment

**General Fund:** \$1,724,360

**FTEs:** 2.10

**Goal:** Strong & Diverse Economy

**Objective:** To drive commercial activity, job creation and decrease vacancies

**Initiative:** Medium to Large-Scale Projects

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
Number of downtown economic development projects evaluated and facilitated	2	3	3	2
Number of downtown economic development projects approved	2	2	1	1
Office vacancy rate (Downtown)	3.25%	9%	5%	6%
Qualified Capital Investment dollars attributable to downtown projects receiving City economic development incentives	\$167,000,000	\$80,000,000	\$50,000,000	\$50,000,000

**Program:** Neighborhood Development/Redevelopment

**General Fund:** \$750,283

**FTEs:** 3.30

**Goal:** Strong & Diverse Economy

**Objective:** To drive commercial activity, job creation and decrease vacancies

**Initiative:** Medium to Large-Scale Projects

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
Number of neighborhood economic development projects evaluated and facilitated	2	2	4	2
Number of neighborhood economic development projects approved	2	2	3	2
Qualified Capital Investment dollars attributable to neighborhood projects receiving City economic development incentives	\$574,000	\$1,500,000	\$5,900,000	\$1,500,000

**Program:** Business Expansion and Retention Services

**General Fund:** \$29,845

**FTEs:** 0.40

**Goal:** Strong & Diverse Economy

**Objective:** Improve business prospects for small businesses (especially professional services firms and contractors)

**Initiative:** Implement Durham-based Business Plan

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
Number of Durham-based firms awarded contracts from approved economic development projects (DBBP)	107	60	60	60

**Program:** Cultural/Public Art

**General Fund:** \$14,923

**FTE:** 0.20

**Goal:** Strong & Diverse Economy

**Objective:** Increase the availability of the arts to encourage economic development, pedestrian experience and quality of life.

**Initiative:** Develop an ongoing public arts program and to support the growth and expansion of other cultural programs.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
Number of new public art installations facilitated annually	1	2	2	2
Number of new cultural arts programs developed annually to support tourism and economic development	1	2	2	2

**Program:** Job Preparation and Placement

**General Fund:** \$478,605

**FTEs:** 1.5

**Grant Funds:** \$1,734,710

**FTEs:** 5.5

**Goal:** Strong and Diverse Economy

**Objective:** Job creation and placement of Durham residents aged 24 and older

**Initiative:** Implement grant funded programs for eligible adults and laid off workers

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
Number of participants	2,543	2,750	1,750	

**Initiative:** Implement the Business Services Program.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Number of newly registered businesses in NCWorks Online	201	175	170	175

**Objective:** Help youth achieve educational and employment success

**Initiative:** Implement short-term employment programs for youth (Durham YouthWork Internship Program)

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Number of participants in privately funded employment opportunities	28	50	50	50

**Initiative:** Implement grant funded programs for low-income youth

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Number of youth participants	153	150	150	150

**Program:** Administration

**General Fund:** \$382,102  
**FTEs:** 3.0  
**Grant Fund:** \$67,302  
**FTE:** 1.0

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#### BUDGET ISSUES FOR FY 2017-18

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- Financial resources to enhance marketing, branding and development of a website.
- Planning effective, quality workforce development programs will continue to be challenging, because a vast majority of the funding comes through the Workforce Innovation and Opportunity Act (WIOA), and that award will not be announced until May 2017. Last year, WIOA funding was significantly decreased. Therefore, staff will aim to leverage the resources of system partners and will seek additional grant funding sources.
- Partnering and leveraging resources with Durham County, DPS, and the private sector to expand the DYIP will continue to be challenging. Greater investment from the private sector continues to be needed to ensure the future growth of the program.
- The DYIP and the Business Engagement Team are creating a stronger connection between what youth learn in internships and what they are learning in school. DYIP will continue to work with public and private partners to create a team of job coaches for summer 2016.
- The DYIP and the Business Engagement Team continue to seek internships in the private sector. While these positions allow the program to expand, private industry prefers older, more skilled youth. Funds are needed to continue to provide internships to younger (14-15 years of age) and less experienced youth.

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## ACCOMPLISHMENTS FOR FY 2016-17

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### Downtown Development

- Facilitated contract administration and compliance monitoring of economic development incentive agreements, Durham Workforce Plans, and Durham-Based Business Plans for the development of two transformative downtown projects:
  - The Durham Innovation District has a minimum required capital investment of \$87 million; the anticipated multi-year economic incentive from the City of Durham is approximately \$5.25 million; the project broke ground as scheduled in Fall 2016.
  - The Chesterfield building redevelopment has a minimum required capital investment of \$80 million; the anticipated multi-year economic incentive from the City of Durham is approximately \$6 million; the project completed shell construction and began tenant improvements as scheduled in Winter 2017.
- Facilitated negotiation of a predevelopment and master development agreement in collaboration with the Department of Community Development with a development team qualified to partner with the City on construction of a proposed mixed-use development on the approximately two-acre City owned Jackson Street Property located adjacent to the Durham Station Transportation Center.
- Facilitated continued evaluation of an economic development incentive application with the developers of the roughly four acre former downtown Hendrick Auto Mall located at 411 South Roxboro Street for construction of a proposed mixed-use development.
- Facilitated evaluation of an economic development incentive application with the developers of the former downtown Van Alen site located at 555 South Mangum Street for construction of a proposed mixed-use development anchored by 240,000 square feet of Class A office space, with ground level retail and a more than 800 space parking structure.
- Facilitated evaluation of an economic development incentive application with the developers of the Geerhouse Development in downtown located at 401 Geer Street for construction of a proposed mixed-use development anchored by 220,000 square feet of office space with ground level retail and a more than 650 space parking structure.
- Completed Year-Two of a \$399,999 dollar, three-year US Environmental Protection Agency Grant enabling completion of more than a dozen Phase I Environmental Assessments and one or more Phase II environmental assessments at potential Brownfield redevelopment sites throughout the City.
- City Council approved a contract with Downtown Durham, Inc. (DDI), not to exceed (5) years beginning on July 1, 2016 to June 30, 2021, contingent upon appropriation of funds by the City Council for management of the Business Improvement District.
- Modifications to NC G.S. 160A-536 required that the City “use a bid process to determine which private agency is best suited to achieve the needs of the service district.” DDI was selected.
- Jack Tar Hotel renovation with a 74-room hotel, 14,000 SF retail and 260 space parking structure redevelopment. Scheduled to open in the spring of 2017.
- Collaborated with DDI to create a survey of minority-owned businesses in Downtown. (As of FY2016 2nd Quarter, the number was 55 businesses).
- The City supported three events sponsored by Downtown Durham, Inc.: The World Beer Festival - \$9,000; Centerfest - \$2,000; and the Georges Rousse Project - \$1,000.
- The FY2016-2017 operating contract with DDI was approved by City Council for \$160,000.

### Neighborhood Development

- Initiated an economic development agreement with Seminary Redux II, LLC, which was approved by the City Manager to renovate an underutilized and blighted building at 1114 West Chapel Street located along an OEWD targeted commercial corridor in the West End. The plan is to redevelop this environmentally-impaired gas station site into an adaptive reuse commercial property. When completed, the 1397 square foot building will be transformed into two commercial bays with one 715 square foot yogurt shop and the other shop a 682 square foot coffee shop, in addition to offering outside space for food trucks. The proposed project will produce \$470,612 in private investment with \$49,000 in City funding, producing approximately a 9.6:1 ratio of private to public funding.
- Initiated and facilitated an economic development agreement that was approved by the City Council in the amount of \$700,000 to support the redevelopment project in the historic Angier/Driver business district in Northeast Central Durham within the CDA but outside the Downtown Development Tier. The \$10.2 million economic development project consists of renovating 5 underutilized buildings totaling 43,000 square feet, located at 2101, 2116 Angier Avenue, and 306 & 308 S. Driver Street. The proposed project will produce \$1,132,484 in private investment with \$700,000 in City funding producing a 14.47:1 ratio of private to public funding.

- Facilitated and coordinated the workflow with the Durham County Managers to develop two videos and re-edit of the initial video. The videos were completed in September of 2016. The three promotional marketing videos will be an important tool in implementing key components of the Citywide Strategic Plan Goal One Initiative, the OEWD Departmental Strategic Plan, and the City-County Joint Economic Development Strategic Plan.

#### Business Development

- Initiated and facilitated a successful lunch and learn educational series in conjunction with the City's Small Business Advisory Committee to provide capacity building opportunities to more than 50 small business or entrepreneurial registrants citywide.
- Facilitated a program in collaboration with the Carolina Small Business Development Fund to create **Accelerate 60**, an accelerated program for small businesses seeking financing. The program greatly improves the probability of qualified Durham small businesses to access capital.
- Created two new public art projects including **The Fence**, a national outdoor photography exhibit that displays the works of over 40 international and local photographers. Durham was chosen to be the 6<sup>th</sup> city to hold the exhibit.

#### Workforce Development

Implemented strategies outlined in the Durham Workforce Development Board (DWDB) Strategic Plan including the implementation of the Adult Provider Collaborative, strengthening the participation of DWDB members through subcommittee work, and branding of the NCWorks Career Centers. Additional accomplishments included the following:

- Continued implementation of the directives of the Interlocal Agreement between the City of Durham and Durham County and Workforce Innovation and Opportunity Act (WIOA) requirements including WIOA's requirement to reduce the size of and to restructure the DWDB membership; recruited 3 new members in the following areas: economic development and private sector.
- Implemented the State's requirement to transition to a service operator model in the NCWorks Career Center.
- Awarded a Department of Labor, Sector Partnership – National Emergency Grant to develop an NCWorks Certified Career Pathway in Health and Life Sciences. The NCWorks Commission awarded the region three NCWorks Certified Career Pathways making the Durham Workforce Development Board eligible for the implementation grant of \$150,000 a year for up to two years to connect dislocated workers to certified pathways in health and life sciences, information technology, and advanced manufacturing.
- Awarded a \$1,360,000 grant by the Department of Labor for a Training to Work grant for individuals returning from incarceration. The Triangle Career Pathways Collaborative (TCPC) project will offer intensive case management, enhanced mentoring, educational interventions, referrals to community partners (transition teams), occupational skills training, job placement and retention, and nine month follow-up services to serve 170 returning citizens. Participants will have linkages to supportive services throughout the phases of the program. The program will lead to clear results of: 1) to maximize the employability of justice involved individuals to support themselves and their families, 2) reduce recidivism in Durham and Wake counties, and 3) improve the overall workforce in the Triangle.
- Employed 196 youth through the Durham Youth Internship Program (DYIP), in partnership with Durham Public Schools, Durham Tech, and Made in Durham, throughout the summer of 2016. Employers included Self Help Credit Union, Logo Label Printing, Southern Rain Garden, Farmer Foodshare, NCCU, Duke Health System, City of Durham, Durham County, American Tobacco District, and many others.
- Continued partnership with the Durham Public Schools' Career and Technical Education program to develop 45 youth internships for low-income students in Career and Technical Education (CTE) courses. The Business Engagement Team collaborated to recruit internships that match the interests of CTE students. This included many new positions within Durham Public Schools such as the Hub Farm, Information Technology, and Maintenance.
- Piloted the development of Learning Plans with the Summer Internship Program. All interns were taught how to create a Learning Plan and were encouraged to present their learning goals to their supervisors.
- Held a successful 2016 Durham YouthWork Summit. Seventy-five Durham youth and 15 parents participated. This was the result of a partnership between the Durham Workforce Development Board's Youth Council, OEWD, the Durham County Library, the Department of Parks and Recreation, Durham Public Schools, Made in Durham, Durham Technical Community College, and the Durham Youth Employed and Succeeding (YES) program.
- Worked with youth organizations to start a Career Skills Passport Program. This program encourages youth to attend career and job skills classes and workshops offered by organizations throughout the county. These

workshops count as Passport stops for the DYIP. Students with passport stamps receive priority interviewing in DYIP.

- Provided services for 135 WIOA youth through January 31 through the YES program. Youth participants in the program met state goals for numeracy and literacy measures. An additional 20 youth were placed in paid internships.
- Worked with Startup High to start entrepreneurship camps in the summer of 2016. Startup High worked with over 70 youth through the Durham Workforce Development Board and Durham Public Schools to offer a summer camp to rising ninth graders at Hillside High School. The camp was held at the Historic Parrish Street Forum. This included recruiting from Neal and Lowes Grove Middle Schools.
- Assisted one Durham-based small business to complete \$10,000.00 of Information Technology-related training for existing employees through The State of North Carolina NCWorks Incumbent Worker Training Grant program.
- Continued assistance with one small business regarding a training grant through The State of North Carolina NCWorks Incumbent Worker Training Grant program. The Grant is for \$10,000.00 to train 11 existing employees in IT-related training. Training is anticipated to be completed in June 2017.
- Assisted with creation of regional business engagement protocol inclusive of education, workforce, and economic development entities to strengthen and streamline support of businesses through provision of relevant services.
- Conducted a Lean Six session with the Business Services Subcommittee to the Durham Workforce Board to assist with refining scope and direction.
- Provided dislocated workers on-the-job training (OJT) and/or classroom training opportunities in high-growth industries. These services have been provided under two National Dislocated Worker Grants and WIOA formula funds provided through the Department of Commerce by the US Department of Labor.
- Led the NCWorks Career Center Subcommittee in the development of a new performance scorecard.
- Successfully closed the NCWorks Career Center at Northgate.
- Developed and submitted a Local Area and Regional Plan as required by WIOA that was approved by the Division of Workforce Solutions (DWS).

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#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

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##### **Economic Development**

- Complete negotiation of an economic development incentive agreement with the purchasers of the roughly 4 acre former downtown Hendrick Auto Mall located at 411 South Roxboro Street, for construction of a proposed mixed-use development.
- Complete negotiation of an economic development incentive agreement with the developers of the former downtown Van Alen site located at 555 South Mangum Street, for construction of a proposed mixed-use development anchored by 240,000 square feet of Class A office, with ground level retail and a more than 800 space parking structure.
- Complete negotiation of a predevelopment and master development agreement in collaboration with the Department of Community Development with a development team qualified to partner with the City on construction of a proposed mixed-use development on the approximately 2 acre City owned Jackson Street Property located adjacent to the Durham Station Transportation Center.
- One City Center Project, mixed-use 27 story tower on the former Woolworth's property. Residential component of the property consists of 140 units with approximately 30 of those units available for purchase. Construction began in February 2016, Construction crane assembled in Summer of 2016. Completion set for May 2018.

##### **Culture/Public Art**

- Facilitate the creation of a Durham economic development website and a uniform branding and identity package. Consistent with the Joint Economic Development Strategic Plan, the website and branding materials will a series of marketing videos, GIS-based site-selection tools, and . This combined suite of collaborative Durham promotional tools will enhance business recruitment and retention, talent development, and Durham's business-friendly environment, and keep Durham competitive with peer cities. This project was placed on hold by management, but in intended to be completed with the hiring of a new director.
- Facilitate, design, and implement an online small business "permitting wizard" that will dramatically reduce the amount of time it takes for a business to get its legal authorities and permits to start their business. This initiative is in collaboration with the Planning Department, and the upcoming Development Services Center.
- Design and publish targeted, industry specific, small business training manuals, focusing on the unique challenges and opportunities related to establishing restaurants, retail shops, mobile food operations, etc., in Durham, and house on the new economic development website.

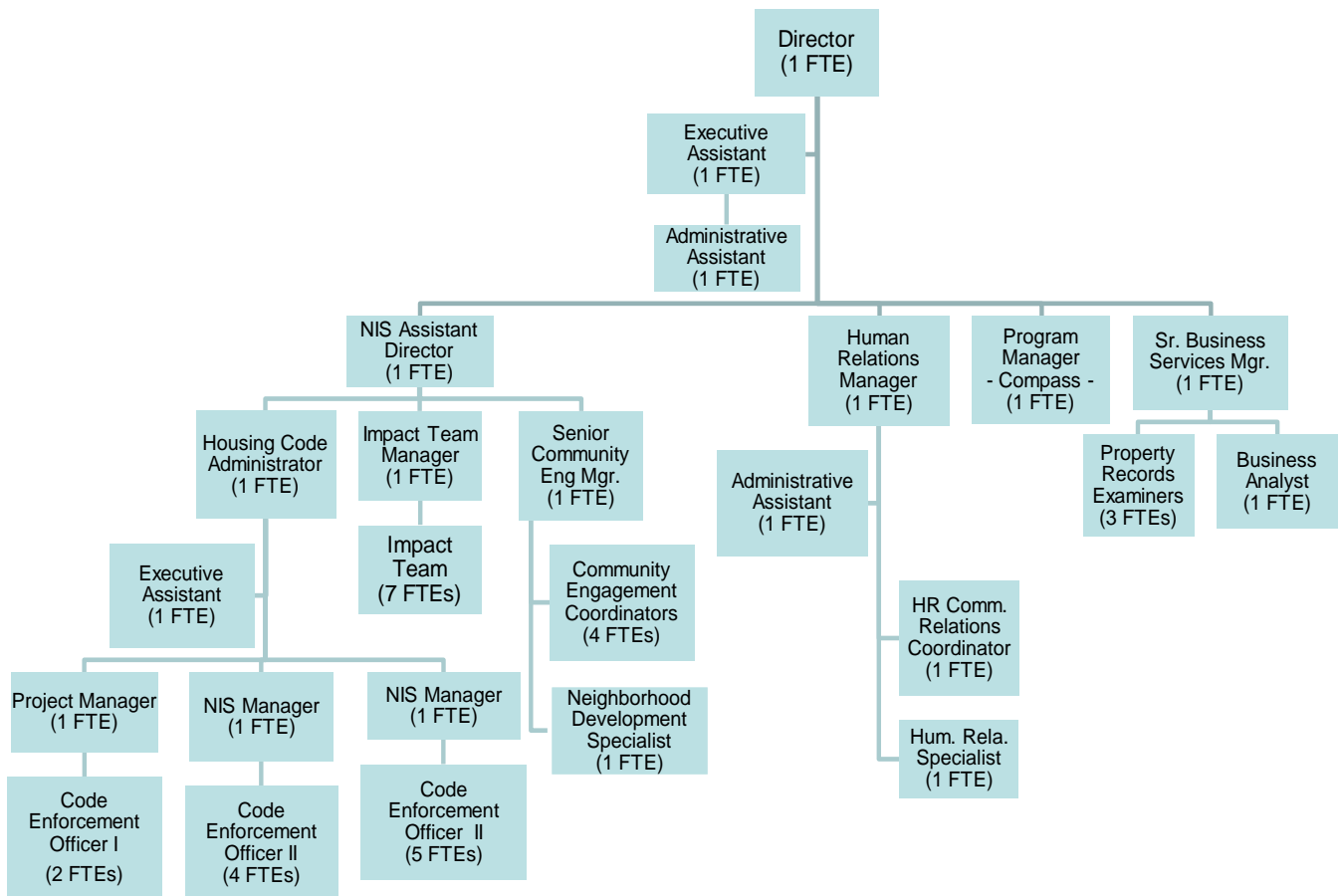
- Initiate and facilitate installation of two public art projects at sites approved by City Council consistent with the City of Durham Public Art Policy.
- Complete implementation in collaboration with Downtown Durham, Inc. of the Main Street Lighting Project by November 2017.

#### Workforce Development

- Participate in the Division of Workforce Solutions (DWS) efforts in the following areas: layoff aversion, cost-sharing as required by WIOA (by January 2018).
- Participate in completion of the DWS and the Directors' Council Lines of Effort joint decision making process in the following areas: staff training, Integrated Service Delivery 2.0, Career Center Performance Measures, NCWorks Online Effectiveness and Improvements, Cost-Sharing Procedures, Business Services Processes, and Customer Feedback Processes (Jobseeker and Employer).
- Implement the Triangle Career Pathways Collaborative (TCPC) project to offer intensive case management, enhanced mentoring, educational interventions, referrals to community partners (transition teams), occupational skills training, job placement and retention, and nine month follow-up services to serve 170 returning citizens successfully; select an effective service provider through a Request for Proposals (RFP) process.
- Work with the Durham Workforce Development Board to develop a new strategic plan.
- Provide 250 internships to Durham Youth in partnership with Durham Public Schools, Durham Tech, Made in Durham, and other organizations.
- Increase the financial education of the all DYIP youth and increase direct deposits to 100%
- Continue to seek more STEM industries for internships through the Business Engagement Team (BET) partnership. The BET's goal is to include 5 more business hosts in the Durham YouthWork Internship Program.
- Increase the number of interns using the internship Learning Plans for summer DYIP interns. Staff will work with Durham Public Schools to assist youth with Learning Plans and connect them back to what they are learning in school.
- Serve 150 youth in the Durham YES WIOA program effectively.
- Ensure that 75% of the WIOA youth served are out-of-school to comply with the new federal requirement.
- Comply with the new WIOA directive that 20% of all WIOA youth funds will be used for work-based learning.
- Apply for and receive funds through the Maximize Carolina Sector Grant to address workforce issues within an identified industry sector.
- Plan for and implement effective apprenticeship strategies.
- Explore and facilitate creation of a career pathway to assist with talent development for construction-trades industry sector.
- Actively participate on the statewide taskforce led by NC Commerce focused on layoff aversion initiative in an effort to delay or halt layoffs/closures as feasible.
- Actively participate within regional business engagement protocol inclusive of education, workforce and economic development entities in support of businesses through provision of relevant services.
- Increase business services efforts within the local area.
- Continue to implement and sustain comprehensive workforce development initiatives that create conditions for success between jobseekers, educators, and employers.
- Strengthen and simplify service delivery that engages all of the workforce community.
- Enhance support of the Transformation in 10 Initiative in assisting residents with job placement and the implementation of other Jobs Taskforce strategies by holding recruitment events in the PRI.
- Maintain consistent reporting on all grant and general funds to ensure a financially sound budget and comply with all fiscal requirements such as the 70% expenditure rate requirement.
- Successfully implement the new NCWorks Career Center scorecard and disseminate to a range of audiences.
- Develop and submit a Local Area Plan update as required by WIOA that was approved by the Division of Workforce Solutions.
- Successfully implement the career pathways program.



# Neighborhood Improvement Services (44 FTEs)





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## NEIGHBORHOOD IMPROVEMENT SERVICES

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### Purpose Statement:

Building sustainable communities through community engagement, code enforcement, human relations and public nuisance abatement.

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### DEPARTMENT DESCRIPTION

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#### Neighborhood Improvement Services

**General Fund: \$3,873,046**

**40 FTEs**

**Grant Funds: \$230,000**

**4 FTEs**

The Department is responsible for enforcement of the City's minimum housing code, weedy lot, junk and debris, unsafe building, abandoned vehicle ordinance and nonresidential code ordinances. The Department's Impact Team abates public nuisances such as litter, graffiti, illegal dumping, and abandoned shopping carts. The Community Engagement division provides outreach and education to Durham residents and community organizations. The Human Relations Division enforces the City of Durham's Fair Housing Ordinance and Title VIII of the Civil Rights Act of 1968. The Division accepts housing complaints from residents who feel that they have been discriminated against because of their race, color, religion, national origin, gender, familial status (families with children) or disability (physical or mental). The Department's staff members are responsible for evaluating department achievement of City goals and objectives and maximizing the effectiveness of our people and processes.

#### Community Improvement Services: Code Enforcement Team

The priority of code enforcement is the day to day management and implementation of all quality of life activities governed by minimum housing code, weedy lot, abandoned vehicle, junk, non-residential, and debris ordinances and statutes.

#### Contract Services for the Remediation of Unsafe Structures and Related Services

Contract Services supports remediation of dilapidated houses classified as unsafe or those unsafe houses pursuant to Housing Appeals Board orders, and supports prevention and proactive code enforcement activities to improve the City exterior and built environment. This includes landfill tipping charges and contractor services.

#### Community Improvement Services: Impact Team

The Impact Team Division assists in the City Council's goals of ensuring that residents enjoy a city rich in aesthetic beauty with a healthy environment and sustainable, thriving neighborhoods. The primary focus is the removal of illegal dumpsites, remediation activities for code enforcement, and graffiti removal.

#### Community Engagement Services

The purpose of the Community Engagement Division is to build neighborhood connections, increase resident participation in community activities, and foster redevelopment of neighborhoods throughout the City. The Division accomplishes this task by acting as the City's internal community engagement consultant and by leading community activities that increase residents' ownership of neighborhood revitalization.

The Community Engagement Division plans and implements neighborhood services and public education/community outreach programs to support neighborhoods. This is accomplished through the facilitation of open communication and interface between city staff and the community. The division also assists with neighborhood organizing, community education, and assisting District PACs in community service efforts.

## **Human Relations**

The Human Relations Division enforces the Fair Housing Ordinance of the City of Durham. Additionally, the Division has been certified by the U.S. Department of Housing and Urban Development (HUD) as a substantially equivalent agency to participate in its Fair Housing Assistance Program (FHAP) whereby the Division has the authority to enforce the federal Fair Housing Act, as amended. As an enforcement agency, the Division investigates and conciliates complaints from residents who allege that they have been unjustly denied equal housing opportunities based on their race, color, religion, national origin, gender, familial status (families with children) or disability (physical or mental). Division staff has been trained by HUD and other reputable organizations to effectively process complaint inquiries, and conduct thorough investigations and conciliations.

The Human Relations Division prioritizes community outreach and conducts regular outreach at various locations around the City. The Division provides fair housing training to Durham-area housing providers, including landlords, property managers, realty professionals, and the Durham Housing Authority. Training opportunities are also availed to social service agencies, tenants and the general public. Fair Housing training serves two purposes: to increase the knowledge of housing professionals so that the incidences of discrimination decrease, and to increase the public's awareness of their right to file a complaint if their right to fair and equitable housing opportunities are violated.

The Human Relations Division develops and fosters programs aimed at addressing and enhancing racial and cultural relations to create a greater level of harmony in the community. The Human Relations Division provides staff oversight to the Durham Human Relations Commission and the Mayor's Hispanic-Latino Inclusion Committee. Division staff also participates in meetings and events hosted by the Mayor's Committee for Persons with Disabilities.

In addition to the above, the Human Relations Division offers a free Basic Energy Education (BEE) training to Durham residents, homeowners, renters, neighborhood groups and to the general public. The training sessions assist residents by helping them to understand how energy conservation makes their home more affordable.

## **Administration**

This division provides oversight through the Office of the Director, and the ongoing administrative and managerial functions that are required for daily operations of the Department, including: fiscal, financial and program management; personnel administration and development; customer service, strategic planning, quality control, process improvement, and performance reporting.

In addition, this division provides the fiscal and legal support for the Department's operations, including budget development and implementation, title searching, preparation and recording of legal documents, invoice preparation and billing, GIS mapping, technology support, and website maintenance.

## **Neighborhood Compass**

The Neighborhood Compass provides that allows residents and City government to track progress on neighborhood improvement efforts and shifts in the overall quality of life of Durham neighborhoods. This program is planned to transfer out of City government to its own non-profit organization.

*\*Grant funding on Neighborhood Improvement Services code enforcement pages represents CDBG funding that is received by Community Development and passed through to NIS. This \$140,000 is included in the total CDBG amount shown on Community Development's budget pages.*

## RESOURCE ALLOCATION

	Actual FY 2014-15	Actual FY 2015-16	Adopted FY 2016-17	Revised FY 2016-17	YTD FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Proposed FY 2017-18	Proposed FY 2017-18	Change	Change	Change
<i>Non-Grant</i>												
Appropriations												
Personal Services	\$ 2,681,450	\$ 2,867,904	\$ 2,947,373	\$ 3,005,931	\$ 2,744,677	\$ 3,005,931	\$ 3,073,830	\$ -	\$ 3,073,830	4.3%	-100.0%	4.3%
Operating	645,817	706,380	734,160	1,050,005	637,646	1,004,553	799,216	-	799,216	8.9%	-100.0%	8.9%
Capital and Other	13,150	-	50,000	116,519	6,500	56,500	-	-	-	-100.0%	-100.0%	-100.0%
Total Appropriations	\$ 3,340,417	\$ 3,574,284	\$ 3,731,533	\$ 4,172,455	\$ 3,388,823	\$ 4,066,984	\$ 3,873,046	\$ -	\$ 3,873,046	3.8%	-100.0%	3.8%
Full Time Equivalents	41	40	40	40	40	40	40	40	40	-	-	-
Part Time	-	-	-	-	-	-	-	-	-	-	-	-
Revenues												
Discretionary	\$ 3,338,213	\$ 3,573,614	\$ 3,731,533	\$ 4,172,455	\$ 3,373,365	\$ 4,066,984	\$ 3,873,046	\$ -	\$ 3,873,046	3.8%	-100.0%	3.8%
Program	2,204	670	-	-	15,458	-	-	-	-	0.0%	0.0%	0.0%
Total Revenues	\$ 3,340,417	\$ 3,574,284	\$ 3,731,533	\$ 4,172,455	\$ 3,388,823	\$ 4,066,984	\$ 3,873,046	\$ -	\$ 3,873,046	3.8%	-100.0%	3.8%
<i>Grant</i>												
Personal Services	\$ 205,000	\$ 205,000	\$ 205,000	\$ 205,000	\$ 182,500	\$ 205,000	\$ 205,000	\$ 205,000	\$ 205,000	0.0%	0.0%	0.0%
Operating	113,250	113,250	25,000	16,350	7,622	25,000	25,000	25,000	25,000	0.0%	0.0%	0.0%
Capital and Other	-	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%
Total Appropriations	\$ 318,250	\$ 318,250	\$ 230,000	\$ 221,350	\$ 190,122	\$ 230,000	\$ 230,000	\$ 230,000	\$ 230,000	0.0%	0.0%	0.0%
Full Time Equivalents	4	4	4	4	4	4	4	4	4	-	-	-
Part Time	-	-	-	-	-	-	-	-	-	-	-	-
Revenues												
CDBG	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	0.0%	0.0%	0.0%
HUD	178,250	178,250	90,000	81,350	50,122	90,000	90,000	90,000	90,000	0.0%	0.0%	0.0%
Total Grant Revenue	\$ 318,250	\$ 318,250	\$ 230,000	\$ 221,350	\$ 190,122	\$ 230,000	\$ 230,000	\$ 230,000	\$ 230,000	0.0%	0.0%	0.0%
Total Budget	\$ 3,658,667	\$ 3,892,534	\$ 3,961,533	\$ 4,393,805	\$ 3,578,945	\$ 4,296,984	\$ 4,103,046	\$ 230,000	\$ 4,103,046	3.6%	-94.2%	3.6%

## DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

**Program:** Code Enforcement Team

**General Fund:** \$1,119,940

**FTEs:** 13

**Grant Fund:** \$140,000

**FTEs:** 3

**Goal:** Thriving Livable Neighborhoods

**Objective:** Improve housing and other built environment conditions to provide safe and sanitary housing and neighborhoods by increasing community awareness and responsiveness to City ordinances and codes

**Initiative:** To aggressively enforce the Minimum Housing Code, the Non-Residential Code and the Unsafe Building Ordinance in the City of Durham.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
Total # code enforcement inspections	12,199	11,070	12,843	12,850
% of code enforcement housing cases resolved through voluntary compliance	23%	26%	23%	26%
% Overall housing compliance: code enforcement housing cases resolved	82%	86%	85%	86%

**Goal:** Thriving Livable Neighborhoods

**Objective:** To enforce the ordinance that addresses trash and undergrowth on property.

**Initiative:** Work with other city departments to proactively identify and eliminate junk and weedy lots by sending Code Enforcement Teams out to canvass inner-city neighborhoods.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
% of code enforcement weedy lot cases resolved through voluntary compliance	43%	62%	60%	62%

**Goal:** Thriving Livable Neighborhoods

**Objective:** Reduce number of boarded properties in low-mod areas.

**Initiative:** Maintain directory of all boarded properties in the City of Durham.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Boarded houses in low-mod areas	76	40	40	15
% Change of # of boarded properties brought into compliance or secured in low-mod areas annually	48%	63%	23%	63%

**Program: Contract Services for the remediation of unsafe structures**

**General Fund:** \$98,804

**Goal:** Thriving Livable Neighborhoods

**Objective:** Improve housing and other built environment conditions to provide safe and sanitary housing and neighborhoods by increasing community awareness and responsiveness to City ordinances and codes

**Initiative:** To enforce the orders of the Housing Appeals Board and Community Life Court.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
% Unsafe & Repair/Demolish structures compliance by owners	60%	65%	67%	67%
Total # Unsafe, Repair/Demolish & structures brought into compliance by owners and City through rehab, stabilization or demolition	43	57	48	45

**Program:** Community Improvement Services: Impact Team

**General Fund:** \$626,141

**FTEs:** 8

**Goal:** Thriving Livable Neighborhoods

**Objective:** Improve public perception of safety and quality of the total built environment through the removal of public nuisances that contribute to crime, unsafe and unhealthy conditions in neighborhoods

**Initiative:** Implement measures to improve the effectiveness and efficiency of the Impact Team.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Illegal dumps removed	1,445	900	1,500	1,400
% Illegal dumps removed within 24 hours of notification	99%	99%	99%	99%
# Tons of junk/debris removed	1,052	750	900	800
# Graffiti sites removed	306	375	200	200
% Graffiti removed within 24 hours of notification	99%	99%	99%	99%
% Grocery carts returned within 24 hours of notification	100%	99%	99%	99%
# of Properties brought into compliance through site remediation	397	375	500	450
# of Community building/beautification projects	130	120	130	120
# of community contact hours	720	500	525	500

**Program:** Community Engagement Services

**General Fund:** \$638,833

**FTEs:** 6

**Goal:** Thriving Livable Neighborhoods

**Objective:** Expand engagement with resident to ensure knowledge of and access to services as well as promote and facilitate resident driven collaboration that improve the quality of neighborhoods

**Initiative:** PAC Support – Increase the number of residents attending PAC meetings.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# residents attending PAC meetings:				
PAC 1	640	750	750	750
PAC 2	536	600	650	650
PAC 3	499	750	750	750
PAC 4	626	750	750	750
PAC 5	163	150	100	750
Total	2,464	3,000	3,000	3,650

**Objective:** Work with the community to remove public nuisances and blight that contributes to crime and unsafe and unhealthy conditions in neighborhoods. Strengthen the foundation, enhance the value, and improve the quality and sustainability of neighborhoods. Encourage resident involvement and ownership in neighborhood redevelopment and community problem solving.

**Initiative:** Beautification/Safety Assessment – Partner with residents to encourage safety and pride in neighborhoods.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# of Beautification/Safety Assessments	17	16	16	16

**Objective:** Make the streets of Durham a viable option for safe and fun activity for all residents. Promote better health in City of Durham neighborhoods.

**Initiative:** Bull City Play Streets – Provide Citywide play streets, and offer mini scholarships for neighborhood events.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# of participants at Play Streets events	3,610	1,500	1,500	1,500
% of participants who were more physically active that day	75%	75%	75%	75%

**Objective:** Equip and supply landlords with knowledge, and tools order to preserve and improve the built and natural environment.

**Initiative:** Landlord Training seminars

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# attendees at Landlord Training	24	50	50	50

**Objective:** Expand engagement with resident to ensure knowledge of and access to services as well as promote and facilitate resident driven collaboration that improve the quality of neighborhoods

**Initiative:** Implement the City Hall On the Go Initiative to coordinate city departments' efforts to engage residents and increase awareness of and access to city services.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
% of people surveyed who felt more informed about city services because of their experiences with City Hall on the Go	N/A	N/A	75%	80%
% of resources leveraged through community engagement sponsored or partnership activities (ratio of funds leveraged)	N/A	N/A	100%	100%
10.01 residents receiving services through the task force activities	N/A	N/A	150	200
% of resources leveraged through T2	N/A	N/A	50%	75%

**Program: Neighborhood Compass****General Fund:** \$92,206**FTE:** 1**Goal:** Thriving Livable Neighborhoods**Objective:** Provide data in the Neighborhood Compass that allows residents and local government to track progress on neighborhood improvement efforts and shifts in our overall quality of life**Initiative:** Expand the impact of the Neighborhood Compass by increasing partnerships and engagement with community groups and expanding its measures.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
% of Compass users that are not City staff	76%	75%	75%	75%
% of Compass users creating reports, downloading data, or actively using the website	51%	50%	55%	55%

**Program: Human Relations****General Fund:** \$189,785**FTEs:** 3**Grant Fund:** \$90,000**FTE:** 1**Goal:** Thriving Livable Neighborhoods**Objective:** Increase fair and equitable housing opportunities through the enforcement of the federal and local fair housing laws, and by educating citizens and housing providers on these laws**Initiative:** Provide intake, investigation, enforcement, and conciliation of housing complaints alleging discrimination through the agency's Fair Housing Assistance Program.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
# intakes, inquiries, supporting services	533	700	700	500
# Supportive Services Inquiries Processed	N/A	350	350	350
# Fair Housing Inquiries Received	N/A	100	80	100
# Fair Housing Inquiries Accepted for Investigation (New Cases)	26	40	40	40
# HUD cases closed	24	40	40	40
Average # of days to investigate and issue finding for housing discrimination complaints	93	75	90	90
% of complaints investigated and closed within 100 days	73%	90%	90%	75%

**Objective:** Provide Durham residents Basic Energy Education (BEE) training and to empower them to train their neighbors and other residents on ways to save energy.**Initiative:** Conduct public awareness campaigns to promote and market BEE training program.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of participants who feel they have gained useful knowledge from training	100%	99%	98%	98%
% of participants who have utilized at least one energy saving tip from the training	96%	90%	95%	95%

**Program:** Administration

**General Fund:** \$1,107,337

**FTEs:** 9

**Goal:** Well Managed City

**Objective:** Increase staff capacity and service quality through continuous training and stretch learning opportunities to maximize the effectiveness and efficiency of the Department's employees

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# Staff participating in culture of service projects	44	44	44	44
% Staff participating in culture of service projects	100%	100%	100%	100%

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#### **BUDGET ISSUES FOR FY 2017-18**

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- None

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#### **ACCOMPLISHMENTS FOR FY 2016-17**

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- Performed 8,000 inspections related to the enforcement of the City's minimum housing code, weedy lot, junk and debris, unsafe building, abandoned vehicle ordinance and nonresidential code ordinances.
- Responded consistently within 24 to 48 hours to resident requests for service.
- Performed 1432 proactive and reasonable cause housing inspections in the City Council Designated Areas through the Proactive Rental Inspection Program (PRIP).
- Facilitated boards being removed from 14 structures (by owners and City).
- Oversaw the removal of boards from 95% of the original boarded structures in the 10.01 Transformation in Ten community.
- Canvassed 537 properties in the Community Centered Code Enforcement Focus areas to engage the community and provide outreach and education.
- Remediated 24 unsafe properties through owner and City efforts.
- Secured 13 vacant properties using clear polycarbonate panels.
- Presented 23 cases to the Housing Appeals Board for action.
- Issued Community Life Court summons for 61 cases; presented 12 cases to the court with 37 defendant court appearances; dismissed an additional 25 cases prior to Community Life Court appearance.
- City Hall on the Go schedule includes: weekly/monthly public libraries, Hoover Road (10.01 Transformation in Ten Outreach), churches, special neighborhood events, other City of Durham department events. 100% of residents surveyed after interacting with City Hall on the Go were satisfied.
- Neighborhood Matching Grants program awarded four grants for a leverage of \$1 to \$3.2 in the first cycle. We have received 17 eligible applications.
- Secured a \$15,000 grant from Duke University Health System's Office of Community and Local Government Relations to implement the Neighborhood Matching Grant for Health program which will allow resident groups to compete for funding to develop and implement activities and programs to improve health outcomes for residents in the neighborhood.
- Implemented the Neighbor Spotlight initiative which encourages residents to nominate fellow residents to be recognized by City Council for the contributions that they are making in service to their community.
- Provided ten Landlord Training Workshops.



- Conducted 3 large scale Play Streets events and supported residents in coordinating and implementing 5 Play Streets events through the Play Streets Mini Grant program.
- Assisted 5 neighborhoods with clean-ups, yard maintenance, and landscaping in collaboration with local groups and non-profits through the Embrace Your Neighborhood Program.
- Coordinated 12 program/events with the Mayor's Transformation in Ten that demonstrated measurable benefit/impact to neighborhoods, ex: Housing Resource Fair, Children Savings Accounts at Y.E. Smith Elementary School, Holiday initiative at Hoover Road, Education Taskforce Cook-in event, appointment of Community Liaison Officer, and City Hall on the Go and Book Mobile Unit at Hoover Road Apartments.
- Assisted with 25 community events in the capacity of the city's internal community engagement consultant.
- Supported 24 events on National Night Out.
- Removed 686 symbols/scripted words of graffiti.
- Conducted 8 assistance initiatives with other departments.
- Mowed 231 parcels, secured 12 vacant structures, and removed debris from 104 private properties.
- Presented the annual employee Hispanic Heritage Month celebration in October.
- Conducted Fair Housing training seminars and workshops for landlords, property managers, housing providers, public housing tenants and the general public.
- Conducted at least two (2) Fair Housing outreach activities each month.
- Launched a Fair Housing advertising campaign with radio, newspaper and mobile (internal and external bus) ads.
- Presented a Fair Housing Workshop in October, featuring the law's protection for persons with disabilities.
- Served as Staff Liaison for the Durham Human Relations Commission.
- Presented the Annual Women's Forum during Women's History Month in March.
- Attended statewide Fair Housing Month programs in April.
- Conducted monthly Basic Energy Education presentations.
- Served as Staff Liaison for the Mayor's Hispanic-Latino Committee.
- Conducted Bi-lingual fair housing workshops in partnership with El Centro Hispano and other agencies.

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#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

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- Perform 11,000 inspections in the enforcement of the City's minimum housing code, weedy lot, junk and debris, unsafe building, abandoned vehicle ordinance and nonresidential code ordinances.
- Respond within 24-48 hours to all resident concerns received through Durham One Call.
- Perform housing inspections in the City Council designated areas through the Proactive Rental Inspection Program (PRIP): Proactive and Reasonable Cause.
- Facilitate the removal of boarding from 25 structures.
- Canvass 1000 properties to provide education and outreach activities through Community Centered Code Enforcement Focus areas.
- Remediate 45 unsafe properties through city and homeowner efforts.
- Secure 28 vacant properties using clear polycarbonate panels.
- Present 40 cases to the Housing Appeals Board.
- Issue 100 summons for Community Life Court cases; present 30 cases to the court; dismiss an additional 50 cases prior to Community Life Court appearance.
- Expand the City Hall on the Go Initiative by establishing additional partnerships and including county program information on the vehicle that is requested by residents.
- Administer the Neighborhood Matching Grants program by providing competitive mini-grants up to \$2,500 to neighborhood groups to fund projects that provide a public benefit to the neighborhood.
- Administer the Neighborhood Matching Grants for Health program by providing competitive mini-grants up to \$1,500 to neighborhood groups to fund projects which provide a health benefit to neighborhood residents.
- Promote and solicit nominations for the Neighbor Spotlight Initiative which recognizes the contributions of Durham residents in service to their neighborhoods.
- Award five Play Streets Mini Grants through a competitive process.
- Coordinate consistent services in T2 (formerly the Mayor's PRI) area to reduce unemployment rate, poverty rate and increase per capita income, ex. Legal Aid Clinic at Holton Resource Center, Lead Assessment through PEACH and mentoring programs through the Education Task Force.
- Provide safe remediation of private properties to improve residents' quality of life and provide a revenue stream for the City of Durham.
- Respond to resident concerns regarding graffiti, shopping carts and illegal dumps within 24 hours of notification.

- Seek additional partnership opportunities for projects that will benefit the community and create a greater sense of neighborhood pride.
- Host a regional Fair Housing training for all HUD FHAP and FHIP partners in Region IV (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Puerto Rico, and the U.S. Virgin Islands).
- Present the annual employee Hispanic Heritage Month celebration in October.
- Continue to provide Fair Housing training seminars and workshops (English and Spanish) for landlords, property managers, housing providers, public housing tenants and the general public.
- Continue to conduct regular Fair Housing outreach activities, including neighborhood canvassing, to increase residents' awareness of their right to fair and equitable housing opportunities.
- Staff will serve as a liaison and administrative support to the Durham Human Relations Commission.
- Engage in activities and events that promote diversity.
- Present racial equity training to the Human Relations Commission and the Departmental management team.
- Co-present the annual Human Relations Month Awards Ceremony in February along with the Human Relations Commission.
- Present the annual Women's Forum during Women's History Month in March.
- Present training and/or programming during Fair Housing Month in April.
- Continue to provide Basic Energy Education (BEE) on monthly basis and as requested.
- Serves as Staff Liaison for the Mayor's Hispanic-Latino Committee.

## CONTRACT AGENCIES – ARTS & CULTURE

The Arts & Culture Program provides for the support and operation of arts facilities and programs for Durham citizens. This program includes the daily operation and management of the Durham Arts Council building, the Carolina Theatre, and the Hayti Heritage Center. Support is also provided for major arts and cultural institutions and non-profit arts organizations that provide services and arts experiences that contribute significantly to the quality of life.

### PROGRAM DESCRIPTION

#### Arts & Culture Facilities

**\$1,818,486**

The Carolina Theatre of Durham, Inc. operates, manages and programs the Carolina Theatre for the City of Durham. The Durham Arts Council, Inc. operates, manages and programs the Durham Arts Council building for the City of Durham. In addition, the Arts Council provides arts-based educational opportunities to Durham citizens and provides support services to artists and arts organizations. St. Joseph's Historic Foundation operates, manages and programs the Hayti Heritage Center (privately owned) as a cultural institution exploring the African-American experience. Community Based programming is provided at Lyon Park, managed by the board of Calvary Ministries of the West End, Inc.

### RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Operating	\$ 2,219,805	\$ 1,798,835	\$ 1,975,913	\$ 1,818,486	1.1%
Total Appropriations	\$ 2,219,805	\$ 1,798,835	\$ 1,975,913	\$ 1,818,486	1.1%
Revenues					
Discretionary	\$ 2,219,805	\$ 1,798,835	\$ 1,975,913	\$ 1,818,486	1.1%
Program	-	-	-	-	0.0%
Total Revenues	\$ 2,219,805	\$ 1,798,835	\$ 1,975,913	\$ 1,818,486	1.1%

Arts & Culture Facilities	Service Provided	Award
<b>Carolina Theatre</b>	Manages the Carolina Theatre. It is governed by a management agreement with the City.	\$654,050
<b>Durham Arts Council</b>	Promotes excellence in and access to the creation and experience of the arts for all citizens. Manages the City's community arts center. It is governed by a management agreement with the City.	\$685,715
<b>Lyon Park</b>	Community based programming is provided at Lyon Park, managed by the Board of Calvary Ministries of the West End, Inc. The City of Durham Parks and Recreation Department provides recreational opportunities under a joint use agreement with Calvary Ministries.	\$186,721
<b>St. Joseph's Historic Foundation</b>	Preserves and promotes the understanding of and appreciation for the African-American experience and societal contributions by providing cultural arts and education programs. It is governed by a management agreement with the City.	\$292,000
<b>Total Arts &amp; Culture Facilities</b>		<b>\$1,818,486</b>

## CONTRACT AGENCIES – COMMUNITY DEVELOPMENT

Annually, the City of Durham enters into contracts with non-profit agencies. These agencies are funded entirely with discretionary revenue and provide services that complement the efforts of City departments. Agencies that are funded provide services that directly tie to Council goals and priorities.

### PROGRAM DESCRIPTION

#### Community Development Organizations

**\$200,202**

These organizations provide services that focus on improving the quality of life through a myriad of different services that are provided citywide.

### RESOURCE ALLOCATION

	Actual	Adopted	Estimated	Proposed	
	FY 2015-16	FY 2016-17	FY 2016-17	FY 2017-18	Change
Appropriations					
Operating	\$ 54,756	\$ 145,983	\$ 172,489	\$ 200,202	37.1%
Total Appropriations	\$ 54,756	\$ 145,983	\$ 172,489	\$ 200,202	37.1%
Revenues					
Discretionary	\$ 54,756	\$ 145,983	\$ 172,489	\$ 200,202	37.1%
Program	-	-	-	-	0.0%
Total Revenues	\$ 54,756	\$ 145,983	\$ 172,489	\$ 200,202	37.1%

Community Development	Service Provided	Award
<b>Durham Media Center</b>	Promotes use of designated access channels by coordinating the use of public access channels, providing production facilities, providing technical assistance and media training.	\$55,752
<b>Museum of Durham History</b>	Provides educational and cultural services benefiting the Durham community by managing a "History Hub" located in downtown durham capturing Durham's compelling history.	\$21,000
<b>Sports Commission</b>	Fosters economic development through coordinating and developing Durham's role as a leading site for sports events involving youth, collegiate, amateur and professional organizations.	\$123,450
<b>Total Community Development</b>		<b>\$200,202</b>

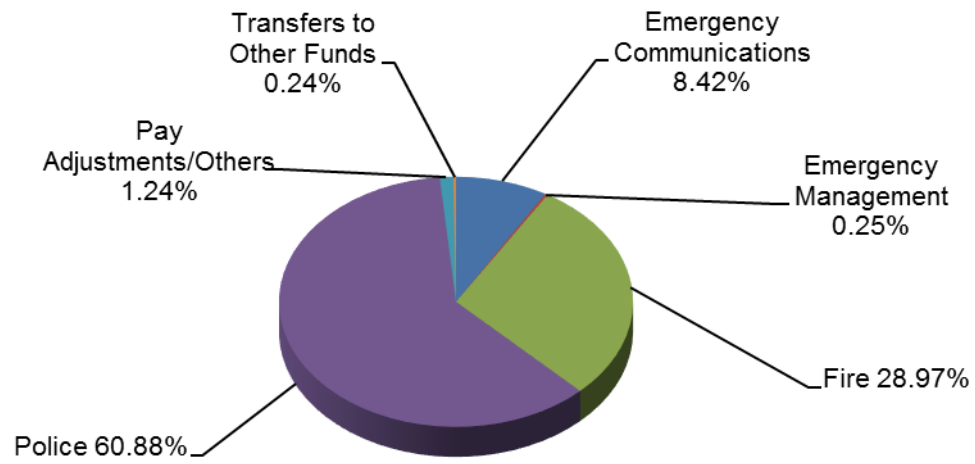
**PUBLIC SAFETY  
BUDGET SUMMARY**

<i><b>Non-Grant</b></i>	<b>Actual FY 2015-16</b>	<b>Adopted FY 2016-17</b>	<b>Estimated FY 2016-17</b>	<b>Proposed FY 2017-18</b>	<b>Change</b>
<i><b>Appropriations</b></i>					
Emergency Communications	\$ 7,481,783	\$ 8,468,628	\$ 8,643,561	\$ 8,348,560	-1.4%
Emergency Management	208,690	236,613	236,613	243,412	2.9%
Fire	24,817,305	25,489,534	26,435,121	28,736,658	12.7%
Police	55,018,009	57,757,908	57,656,815	60,385,887	4.9%
Pay Adjustments/Others	-	3,229,874	3,229,874	1,229,281	-61.9%
Transfers to Other Funds	33,212	39,251	112,807	234,582	497.6%
<b>Total Appropriations</b>	<b>\$ 87,558,999</b>	<b>\$ 95,221,808</b>	<b>\$ 96,314,791</b>	<b>\$ 99,178,380</b>	<b>4.2%</b>
Full Time Equivalents	1013	1062	1062	1092	30.0
Part Time	-	-	-	-	-
<i><b>Revenues</b></i>					
General Fund					
Discretionary	\$ 83,290,527	\$ 90,313,111	\$ 90,759,271	\$ 94,219,960	4.3%
Program	2,588,128	2,695,318	2,879,551	2,938,665	9.0%
General Fund Subtotal	\$ 85,878,655	\$ 93,008,429	\$ 93,638,822	\$ 97,158,625	4.5%
911 Wireline Surcharge Fund	1,640,640	2,071,179	2,578,330	1,886,890	-8.9%
Inspections Fund	39,704	142,200	97,639	132,865	-6.6%
<b>Total Revenues</b>	<b>\$ 87,558,999</b>	<b>\$ 95,221,808</b>	<b>\$ 96,314,791</b>	<b>\$ 99,178,380</b>	<b>4.2%</b>
<i><b>Grants</b></i>					
Public Safety	\$ 625,104	\$ 1,422,919	\$ 1,270,474	\$ 1,235,757	-13.2%
<b>Total Grants</b>	<b>\$ 625,104</b>	<b>\$ 1,422,919</b>	<b>\$ 1,270,474</b>	<b>\$ 1,235,757</b>	<b>-13.2%</b>
Full Time Equivalents	-	-	16	16	16
Part Time	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 88,184,103</b>	<b>\$ 96,644,727</b>	<b>\$ 97,585,265</b>	<b>\$ 100,414,137</b>	<b>3.9%</b>

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## PUBLIC SAFETY

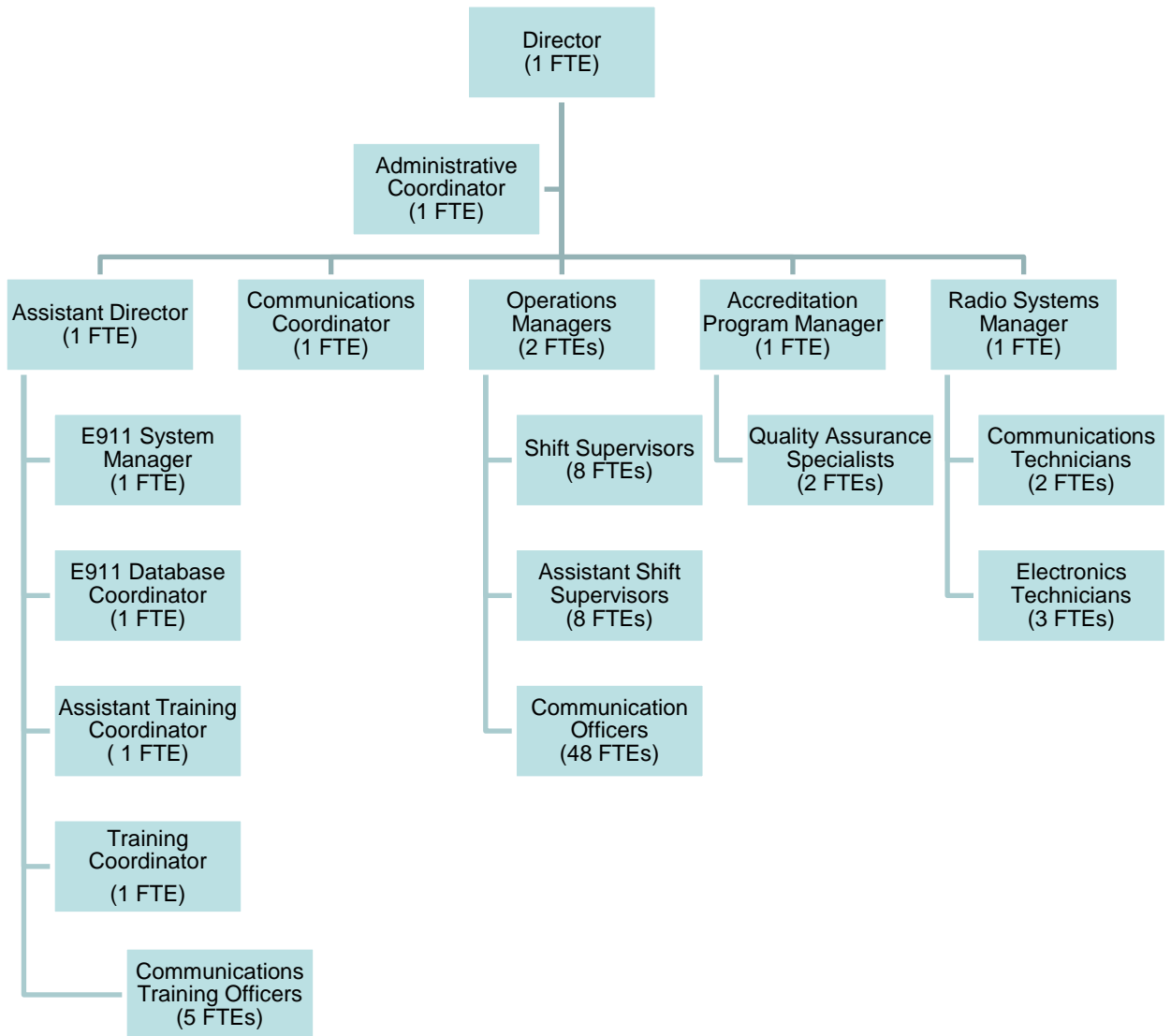
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# Emergency Communications

(88 FTEs)



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## EMERGENCY COMMUNICATIONS

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### Purpose Statement:

To affirmatively promote, preserve and protect the safety and security of all citizens of the community. It is our commitment to provide citizens with the fastest and most efficient response to emergency calls possible while ensuring the safety of Police, Fire and Emergency Medical Services (EMS) personnel. It is our goal to contribute to the quality of life of our community by giving efficient, reliable, courteous, responsive and professional 911 communications services. We will constantly seek ways to improve the quality of assistance we provide to the community by acknowledging that service is our one and only product and our goal is to provide it at the most superior level possible thereby saving lives, protecting property and helping to stop crimes, thus making Durham a safer community to live, work and visit.

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### DEPARTMENT DESCRIPTION

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#### Emergency Communications

**\$8,348,560**  
**88 FTEs**

#### Emergency Response

This program operates under an interlocal agreement between the City and County governments for receipt of public safety calls including law enforcement, EMS and fire service dispatch. The program focuses on answering calls for the City of Durham, Durham County residents and visitors.

#### Emergency Telephone System

The focal point of this program is to ensure calls for emergency service are answered and dispatched to the appropriate public protection unit for disposition. The program provides service to all individuals dialing 911 and the following departments: Police, Fire, EMS, Durham County Emergency Management, and Volunteer Fire Departments. The Durham County Sheriff's Department provides its own answering and dispatching service. The 911 Surcharge funds one Emergency Communications position (911 Database Coordinator) plus two positions that are counted in the Technology Solutions organizational chart that include an Emergency Information Services Coordinator and a GIS Coordinator.

<b>Total number of 9-1-1 calls answered</b>	<b>Actual FY11</b>	<b>Actual FY12</b>	<b>Actual FY13</b>	<b>Actual FY14</b>	<b>Actual FY15</b>	<b>Actual FY16</b>
	254,846	283,500	346,397	349,989	362,983	369,114
<b>Total number of non- Emergency calls answered</b>	93,676	92,853	90,740	97,474	103,358	93,395

#### Communications Maintenance

The division maintains and manages the operation of the 800 MHz radio system which includes four tower sites, an integrated microwave system, alarm and computer monitoring systems, backup power supplies and generators, the radio dispatch system in the 911 Emergency Communications Center, a backup 911 Center, the Durham Sheriff's Office 911 Center and North Carolina Central University's dispatch center. Communications Maintenance also installs and maintains all radio communications equipment for various departments of the city and county governments. Typical radio equipment includes portable, mobile, and base radios. In addition, this division installs and maintains the emergency lighting systems, sirens, cameras, video recorders and mobile data modems in the fleet of public safety vehicles.



## RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 4,673,346	\$ 5,399,854	\$ 4,551,872	\$ 5,659,371	4.8%
Operating	2,808,437	3,068,774	3,664,308	2,590,309	-15.6%
Capital and Other	-	-	-	98,880	100.0%
Total Appropriations	\$ 7,481,783	\$ 8,468,628	\$ 8,216,180	\$ 8,348,560	-1.4%
Full Time Equivalents	82	88	88	88	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 4,532,947	\$ 5,039,366	\$ 4,099,600	\$ 4,868,522	-3.4%
Program	1,308,195	1,358,083	1,538,250	1,593,148	17.3%
Total General Fund	\$ 5,841,142	\$ 6,397,449	\$ 5,637,850	\$ 6,461,670	1.0%
Emergency Telephone Fund	1,640,640	2,071,179	2,578,330	1,886,890	-8.9%
Total Revenues	\$ 7,481,783	\$ 8,468,628	\$ 8,216,180	\$ 8,348,560	-1.4%

## DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

**Program:** Emergency Response

**General Fund: \$5,385,203**

**FTEs: 80**

**Emergency Telephone System Fund \$1,886,890**

**FTEs: 2**

**Goal:** Safe and Secure Community

**Objective:** To answer 90% of 9-1-1 Calls in 10 seconds or less.

**Initiative:** Maintain staffing at sufficient levels needed to ensure timely response to 911 calls.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measure:</b>				
% of 911 calls answered in 10 seconds or less	95%	94%	93%	94%

**Objective:** To achieve and maintain the 911 Master Street Addressing Guide Database at 99.99%.

**Initiative:** Prioritize the discrepancies of database errors to expedite resolution.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measure:</b>				
Monthly telephone access lines as a percentage of known errors	99%	99%	99%	99%

**Objective:** To maintain operations vacancy rate at or below 15% for employees who have passed probationary status.

**Initiative:** Improve the hiring and selection process along with documentation during the training process that will improve retention of quality employees.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measure:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
Operational Vacancy Rate	6%	5%	8%	5%

**Objective:** To ensure accuracy of Emergency Medical Dispatch pre-arrival instructions at 90%.

**Initiative:** Aggressively review EMS calls, documenting and correcting weak areas necessary for accreditation.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measure:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
% accuracy of EMD protocols	97%	95%	97%	95%

**Objective:** To dispatch all priority calls within 90 seconds or less.

**Initiative:** Research the splitting of dispatch channels and finding methods to remove telephone responsibilities for main dispatch stations.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measure:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
% priority calls dispatched to Fire within 90 seconds or less	83%	90%	85%	90%

<b>Measure:</b>				
% priority calls dispatched to Police within 90 seconds or less	83%	90%	85%	90%

**Program:** Communications Maintenance

**General Fund: \$1,076,467**  
**FTEs: 6**

**Goal:** Safe and Secure Community

**Objective:** Provide effective maintenance services to ensure radio system availability.

**Initiative:** Utilize the work order management software system to ensure that maintenance standards are achieved.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measure:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Radios supported (Note: there are approx. 1500 more radios with indirect support)	3000	3000	3000	3000
# Tower sites and 911 Centers	8	8	8	8
% Radio technician response time within 1 hours of notification	100%	100%	100%	100%

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**BUDGET ISSUES FOR FY 2017-18**

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- Finalizing budget and procurement of equipment for new building.
- Connecting and establishing timelines for new building.
- Procuring technology that will increase efficiency of 9-1-1 system.

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**ACCOMPLISHMENTS FOR FY2016-17**

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- Back-up center renovated.
- Implemented 9-1-1 system transfer at Durham Sheriff's Communications.
- Implemented equipment upgrades that allowed Sprint Cellular the ability to send a picture with a 9-1-1 text.
- Implemented Electronic scheduling for overtime and schedule exchanges.
- Instituted monthly radio failure exercises in case the radio system suffers an outage.
- Began replacement of radios for Public Safety through C.I.P.

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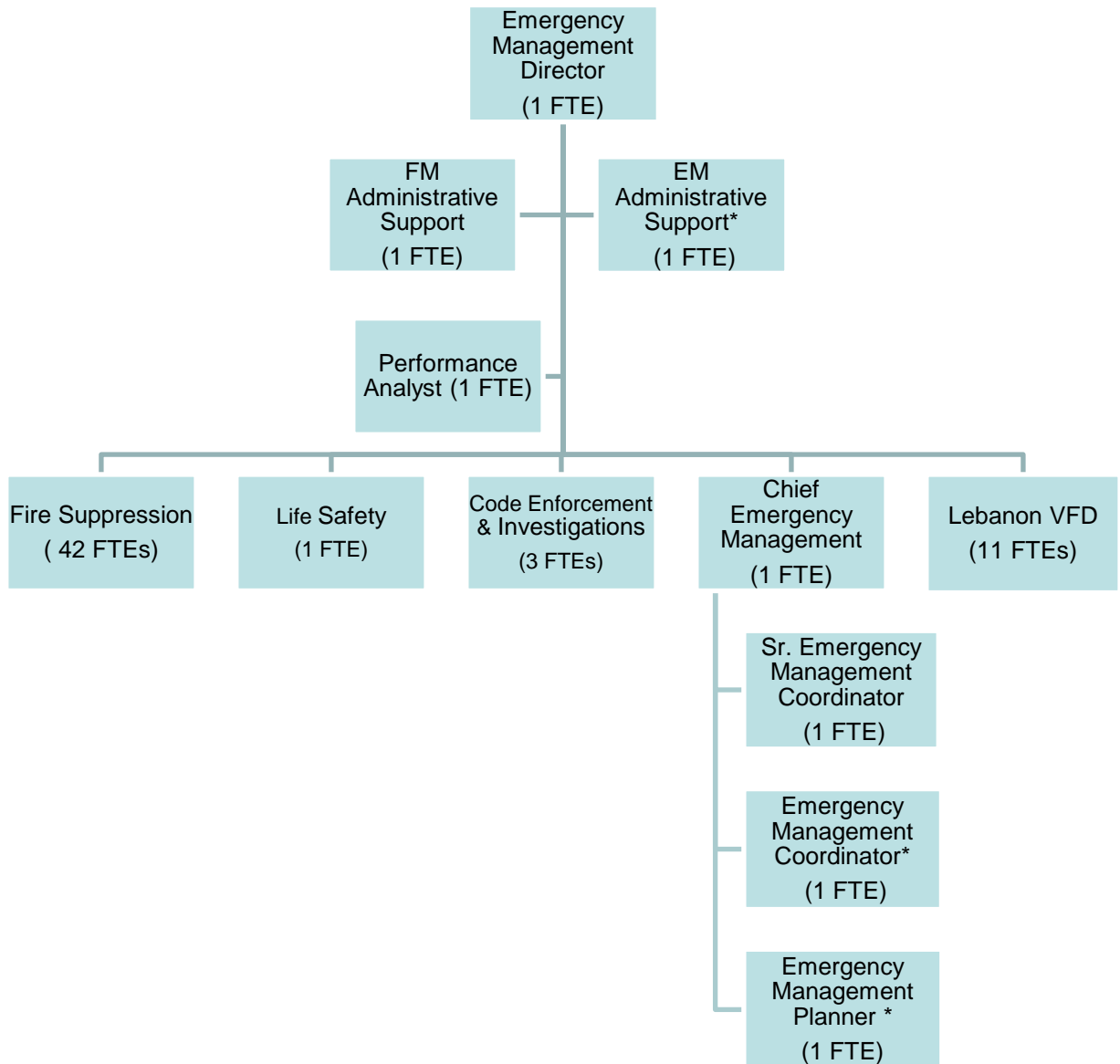
**ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

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- Bring more carriers on line with the ability to send pictures with a 9-1-1 Text.
- Continue to bring more security companies online with A.S.A.P. program.
- Initiate Enhanced Mental Health Dispatching protocols and procedures.
- Continue to seek accreditation in Emergency Fire Dispatch.
- Creation of a 9-1-1 Citizens Academy.
- Reaccreditation in Emergency Medical Dispatch.



# Durham City/County Emergency Management (65 FTEs)



***Please note:*** This is a County department. The City pays 50% of the asterisked positions and 25% of the Fire Marshal's position.

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## EMERGENCY MANAGEMENT

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### Purpose Statement:

The Division of Emergency Management is tasked with assisting County and City departments, businesses, and citizens in the development of emergency plans. Other ongoing responsibilities include maintaining emergency shelter databases, training personnel to operate shelters, maintaining resource databases, and ensuring readiness of the Emergency Operations Center. The Division is responsible for planning for any type of emergency that could affect Durham County (multi-hazard plan), for preplanning logistics and resources needed for mitigation and recovery from an emergency.

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### DEPARTMENT DESCRIPTION

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#### Emergency Response

**\$243,412**

**0 FTEs**

This program is responsible for drafting and carrying out the Durham City/County Emergency Operations Plan (EOP). The agency works closely with all government agencies to prepare, respond, recover and mitigate the effects of disasters and major emergencies. Emergency Management personnel are housed in county government. The County and City share costs in accordance with an interlocal agreement.

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### RESOURCE ALLOCATION

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	Actual	Adopted	Estimated	Proposed	
	FY 2015-16	FY 2016-17	FY 2016-17	FY 2017-18	Change
Appropriations					
Operating	\$ 208,690	\$ 236,613	\$ 236,613	243,412	2.9%
Capital and Other	-	-	-	-	0.0%
Total Appropriations	\$ 208,690	\$ 236,613	\$ 236,613	\$ 243,412	2.9%
Revenues					
Discretionary	\$ 208,690	\$ 236,613	\$ 236,613	\$ 243,412	2.9%
Program	-	-	-	-	0.0%
Total Revenues	\$ 208,690	\$ 236,613	\$ 236,613	\$ 243,412	2.9%

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### ACCOMPLISHMENTS FOR FY 2016-17

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- Increased EM Staffing from two (2) to four (4) positions. Hired new EM Division Chief and promoted within from EM Coordinator to Sr. EM Coordinator.
- Coordinated response and recovery for summer flooding, fuel shortage, Hurricane Matthew, and winter snow/ice storm
- Supported multiple special events in downtown Durham (Moogfest, protests, races, etc.)
- Implemented Alert Durham mass notification system countywide
- Implemented Alertus desktop capture for employee alerting
- Applied for Complex Coordinated Terrorist Attacks Grant. The intended outcome of the grant is a Regional Response Plan, Training, and Exercises for Durham, Wake, & Orange County personnel
- Completed formal After Action meeting and After Action Report / Improvement Plan for the Page Road wildland-urban interface fire
- Applied for membership with Emergency Management Accreditation Program (EMAP). Completing EMAP self-assessment and crosswalk in June 2017
- Created a Multi-Year Training and Exercise Plan with input from all stakeholders

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### ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18

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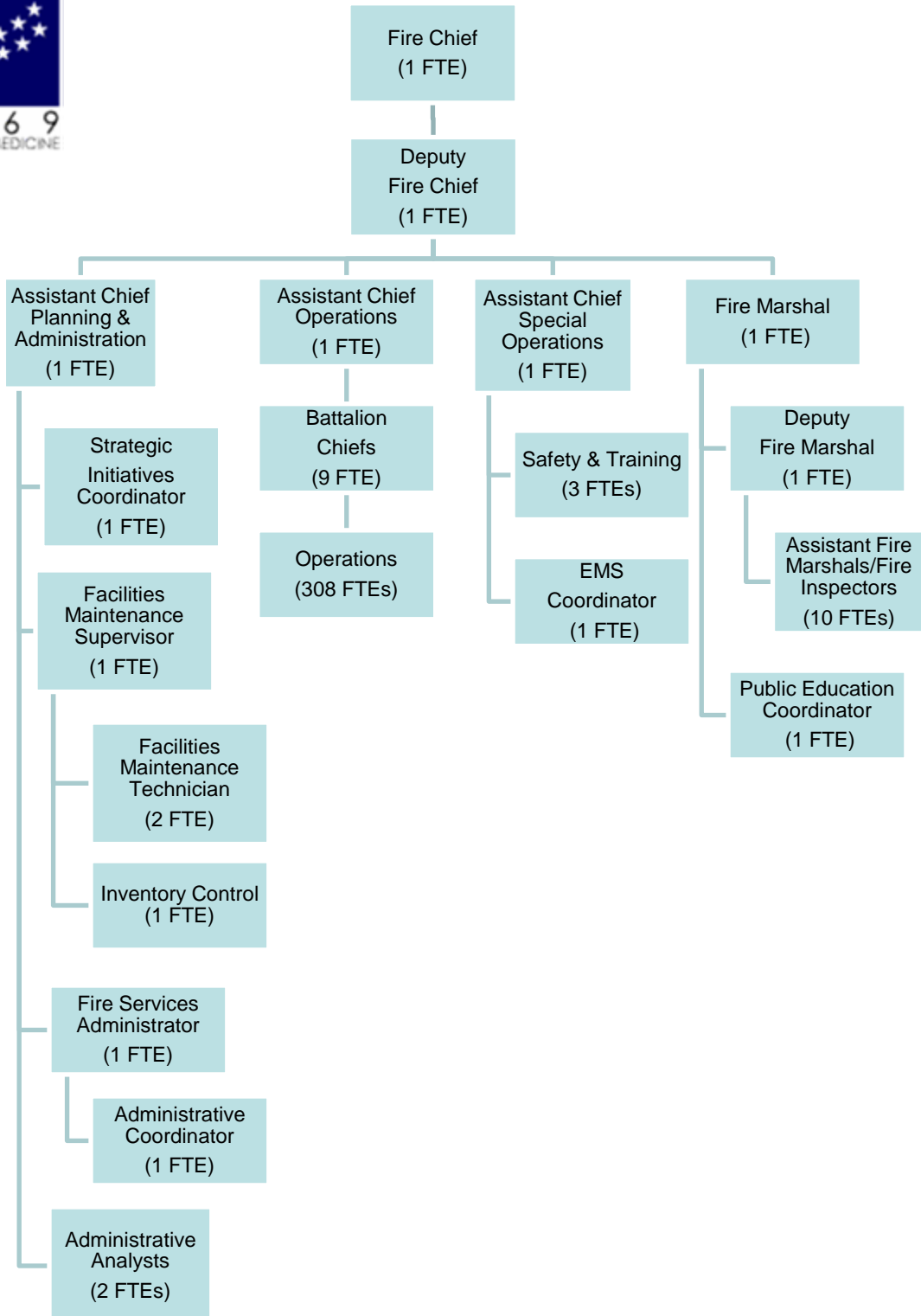
- Initiate the development of the following plans:
  - Emergency Operations Plan (EOP) re-write with Emergency Operations Center (EOC) job aids
  - Threat Hazard Identification and Risk Assessment (THIRA)

- Long-term Community Recovery
  - Continuity of Operations and Continuity of Government supported by cloud repository
- Implement updated situational awareness tool to be used by key emergency and disaster response/recovery departments, agencies, and organizations
- Implement the Alert Durham communications plan
- Develop countywide EOC training tools & technology
- Identify opportunities for community engagement including faith based groups, civic groups, schools, and social media
- Create community outreach material for staff, schools, businesses and visitors
- Implement the Nixle Community Collaboration Tool
- Formally re-brand the Division of Emergency Management (images, vehicles, uniform, etc.)



# Fire Department

(348 FTEs)



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## FIRE DEPARTMENT

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### **Purpose Statement:**

The Durham Fire Department strives to enhance the quality of life for the citizens and visitors of Durham by minimizing the harmful effects of fires, medical emergencies, and other types of dangerous events.

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## DEPARTMENT DESCRIPTION

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### **Fire Department**

**\$28,736,658**  
**348 FTEs**

The department is primarily responsible for providing emergency responses to fires, medical calls, hazardous materials spills, technical rescue calls, and swift water rescue calls. Staff has an overriding responsibility to the residents of Durham to maintain a state of training and readiness that will allow a quick and competent response to life threatening events such as fires, emergency medical responses, weather related emergencies and potential acts of terrorism.

### **Administration**

The Fire Administration division coordinates and supervises the Fire Department. This division is responsible for fiscal planning, records management, implementation and training for technology advancements, personnel management, and resource maintenance and management. This division is also responsible for recommending and implementing management policies and procedures for daily operations of the department under the direction of the Fire Chief.

### **Safety and Training**

The Safety and Training division provides for the training, occupational safety and wellness of personnel through entry level and advanced in-service training programs, accident investigation and wellness evaluations. This division functions to provide a safe work environment, maintain current certifications of all operations personnel, and monitor physical fitness levels of operations personnel.

### **Operations and Emergency Responses**

The Fire Operations Division responds to over 24,000 calls per year for various types of emergencies. Fire responses minimize the loss of life and destruction of property due to fires through the rapid deployment of trained personnel and appropriate equipment. Service is provided by trained fire/rescue personnel strategically placed throughout the City and through automatic aid agreements with volunteer fire departments and the Durham County Fire-Rescue Department.

The Emergency Medical Services (EMS) program provides Advanced Life Support with emergency medical first responders, at the Emergency Medical Technician (EMT) and Emergency Medical Technician-Intermediate (EMT-I) levels, in response to a variety of medical emergencies. All Fire Department apparatus are equipped with emergency medical supplies and semi-automatic defibrillators used to stabilize and/or resuscitate patients until the arrival of paramedic personnel on the scene. Early emergency medical intervention helps to protect injured or sick persons from further harm.

The Hazardous Materials (Hazmat) Team provides for the identification and control of known and unknown chemical, biological, radiological, and explosive substances released into the environment. Hazmat personnel are specially trained to mitigate chemical emergencies. This program supports the goals of safety by stopping hazardous releases at the earliest possible stage and protecting residents and the City's natural resources. The Hazardous Materials Team is staffed with technicians trained to identify, isolate and mitigate most common hazardous material spills or leaks. They have the technology to interface with state and national resources to assist in their efforts. This program is provided to minimize the harmful effects of toxic releases on both people and the environment of Durham. The program operates under the requirements as set forth in state and federal OSHA standards, particularly 29CFR1910.120.

The Technical Rescue Team provides for the rescue of persons trapped and/or injured beyond the scope of normal Fire Department operations. These specialized rescues may involve high/low angle, trench, swift water, vehicle extrication, structural collapse and confined space rescue emergencies.



## **Fire Prevention**

The Fire Prevention Division provides comprehensive enforcement of mandated fire and life safety codes and regulations including the inspection of properties for fire code violations. Responsibilities include regulating the design and implementation of building features and fire protection systems. The purpose of this division is to prevent and/or reduce the loss of life, injury and property damage due to fire in commercial, factory, institutional, business, educational, mercantile and assembly occupancies.

The Fire Investigation Team provides fire cause and origin determination and the investigation of all fires of a suspicious nature. Clearance of arson crimes remains a high priority for the Fire Prevention Division and is in alignment with the City's efforts to investigate and solve cases involving suspicious fires. The program supports the City Council goal of a Safe & Secure Community.

The Community Fire Education program provides educational programs about the causes and prevention of fire and burn injuries. Emphasis is placed on targeting areas that are experiencing the greatest hazards from fire emergencies and those that have a history of emergency medical calls for service. The program encourages a strong link between the Fire Department and the community by instituting outreach programs such as the "Risk Watch" and "Learn Not to Burn" programs, smoke detector campaigns, fire extinguisher training, fire safety training, blood pressure checks and programs for seniors involving health and fire safety.

## RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 22,941,688	\$ 23,630,102	\$ 24,352,163	\$ 26,727,321	13.1%
Operating	1,835,913	1,859,432	2,039,958	1,829,523	-1.6%
Capital and Other	39,704	-	43,000	179,814	100.0%
Total Appropriations	\$ 24,817,305	\$ 25,489,534	\$ 26,435,121	\$ 28,736,658	12.7%
Full Time Equivalents	316	318	318	348	30
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 23,591,521	\$ 24,099,896	\$ 25,085,491	\$ 27,351,803	13.5%
Program	1,186,080	1,247,438	1,251,990	1,251,990	0.4%
Total General Fund	24,777,601	25,347,334	26,337,481	28,603,793	12.8%
Inspections Fund	39,704	142,200	97,639	132,865	-6.6%
Total Revenues	\$ 24,817,305	\$ 25,489,534	\$ 26,435,121	\$ 28,736,658	12.7%

## DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

**Program:** Operations and Emergency Response **\$25,409,622**  
**317 FTEs**

**Goal:** Safe and Secure Community

**Objective:** Enhance response capability to enhance resident and firefighter safety

**Initiative:** Add resources or re-distribute existing resources to address identified jurisdictional needs

Measures:	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
% Responses for EMS (turnout+travel time) ≤ 5 minutes, 30 seconds	64%	90%	68%	90%
% Responses for Structure Fires (1 <sup>st</sup> due company) ≤ 5 minutes, 30 seconds	79%	90%	89%	90%
% Responses for 1 <sup>st</sup> alarm assignment ≤ 11 minutes	69%	90%	71%	90%
# Days below Minimum effective staffing	50	0	47	0
% Vacancy rate for the Operations Division	2%	3%	3%	3%

**Program:** Fire Prevention **\$1,051,992**  
**12 FTEs**

**Goal:** Safe and Secure Community

**Objective:** Increase code enforcement efforts

**Initiative:** Develop and implement a staffing and service delivery model to increase the quantity and quality of code enforcement occurring in the jurisdiction.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of fire inspectors meeting inspection goals	68%	100%	90%	100%
# of fire inspections conducted	8232	7500	7500	7500

**Program:** Administration **\$1,672,140**  
**15 FTEs**

**Goal:** Innovative & High Performing

**Objective:** Engage in Continuous Process Improvement

**Initiative:** Ensure implementation of all strategic and specific recommendations provided by the Per Assessment team during the accreditation process.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of active Strategic Plan initiatives meeting target implementation timeline	95%	95%	95%	100%
% of active Strategic Plan measures showing improvement	90%	90%	90%	100%
Annual approval of the ACR for CFAI	100%	100%	100%	100%

**Goal:** Stewardship of the City's Physical Assets

**Objective:** Ensure financial stability and accountability

**Initiative:** Carefully monitor assets and expenditures to ensure quality and cost effective service

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Average cost per call for service	\$988	\$1,000	\$1,000	\$1,000
% of Vehicles serviced by fleet within the required timeframe	100%	100%	100%	100%

**Program:** Safety and Training **\$602,904**  
**4 FTEs**

**Goal:** Innovative and High-Performing Organization

**Objective:** Ensure appropriate training for staff to further the department's mission

**Initiative:** Develop a standardized continuing education training program

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# of Chief Officers engaged in professional development programs	40%	50%	40%	50%
% of Operations personnel achieving yearly training hours targets	70%	95%	75%	95%
% of administrative chiefs achieving yearly training hours targets	80%	100%	100%	100%

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## BUDGET ISSUES FOR FY 2017-18

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- The fire department needs to build capacity in order to respond to the rapid growth and development within the downtown tier and surrounding neighborhoods.
- The department will work collaboratively with other City departments to design, build, and open Fire Station 17 at the intersection of Leesville and Doc Nichols Roads in east Durham.
- The fire department needs to build the capacity and properly equip its personnel to respond to active assailant and other asymmetrical threats.
- The fire department needs to increase capacity in its Special Operations Division to provide closer oversight of emergency medical service delivery and reporting.
- Continue to work collaboratively with Durham Public Schools to build capacity for their high school fire academy concept.
- The department will continue to refine its new firefighter on-boarding partnership with Durham Technical Community College to meet the needs of both organizations.

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## ACCOMPLISHMENTS FOR FY 2016-17

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- Continued the replacement of vehicle extrication equipment in the fire department inventory, which has reached the end of its useful life, with new equipment capable of dealing with reinforced high strength steel in many of the newer car models.
- Continued advanced testing and replacement of turnout gear according to NFPA standard 1851 (2008 Edition).
- Continued to check the operational readiness and appearance of all hydrants.
- Pursued compliance with NFPA 1710 guidelines (minimum staffing requirements).
- Continued to participate in regional Urban Search and Rescue (USAR) and Hazardous Materials training with the Raleigh and Chapel Hill Fire Departments.
- Continued attendance at PAC meetings, open Command Staff meeting format, and the station meeting program to ensure effective internal and external communication.
- Conducted courtesy home inspections at no cost to citizens.
- Distributed smoke and carbon monoxide detectors to City of Durham residents at no cost.
- Continued to work on establishing a reliable database of businesses subject to an inspection per NC Fire Code.
- Formalized the effort to increase the representation of uniformed women and minorities in the Durham Fire Department with a focus to reflect the community served.
- Added two new fire inspectors to focus on new construction inspections.
- Secured the land for Fire Station 18
- Completed and opened Fire Station 9
- Engaged in design/build process for Fire Station 17
- Instituted training hour requirements for all uniformed personnel
- Implemented a new distance learning solution for the department
- Had one chief attend the UNC School of Government's Municipal Administration Course
- One chief was awarded Chief Fire Officer Designation from the Center for Public Safety Excellence
- One chief was accepted into the National Fire Academy's Executive Fire Officer Program
- Completed the re-accreditation through the Center for Public Safety Excellence
- Implemented "Pak Tracker" technology to aid Operations Division firefighters in locating and removing downed or lost firefighters.
- Continued the development of operational SOGs
- Initiated an examination of the benefits of consolidating the Durham County Fire-rescue Department into the Durham Fire Department
- Implemented a new Fire Department Pay Plan
- Re-designed new fire apparatus to better address the urban/rural interface
- Completed an examination of Fire Department pay practices to ensure FLSA compliance
- Successfully on-boarded 12 new firefighters
- Established "primary and secondary response routes" within each fire district to aid with Transportation planning
- Moved from Target Solutions to Courner Stone LMS for distance learning.
- The Training Division sponsored eight certification classes resulting in 123 employees receiving a new certification.

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**ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

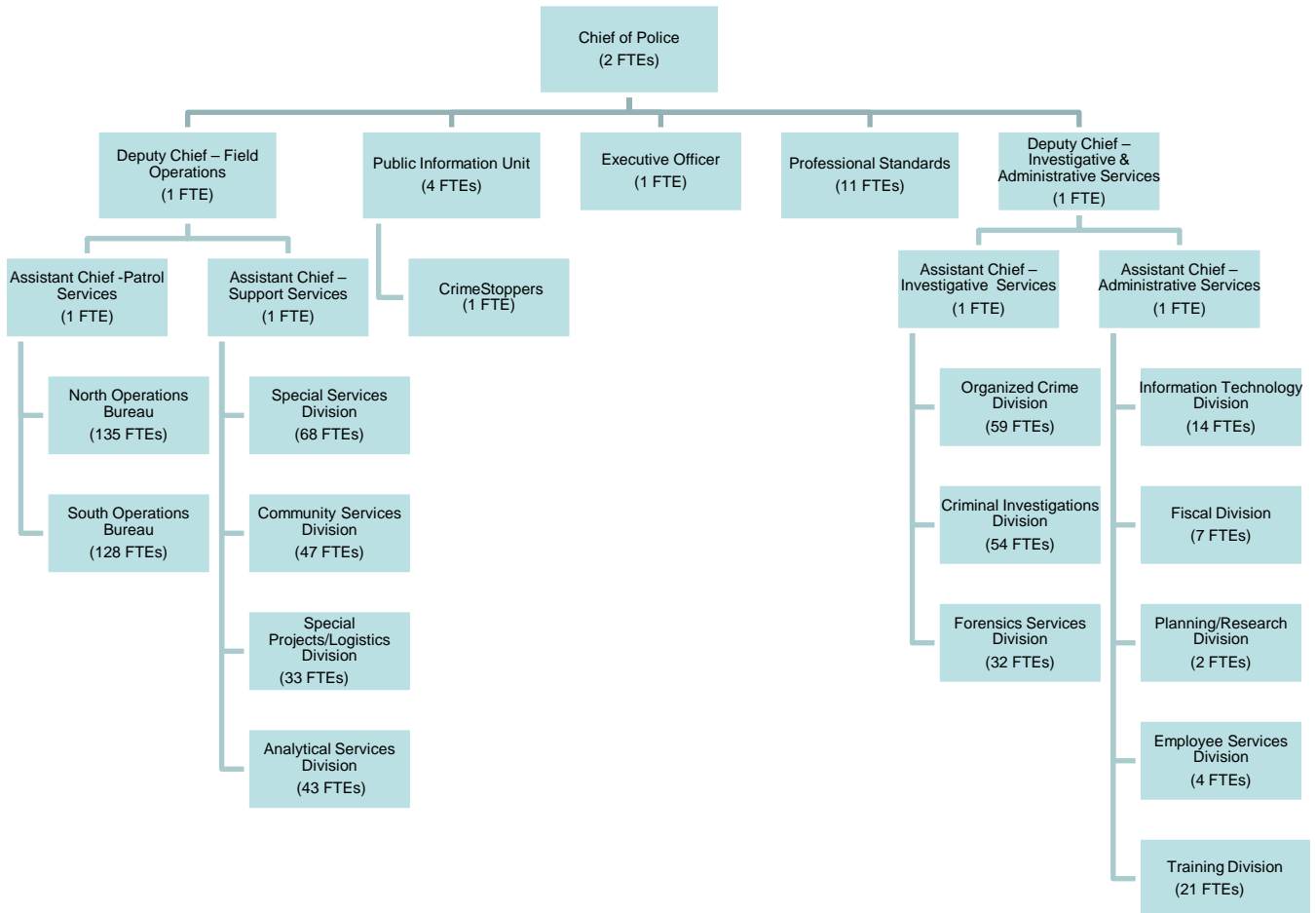
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- Continue advanced testing and replacement of turnout gear according to NFPA standard 1851 (2008 Edition).
- Continue the replacement of vehicle extrication equipment in the fire department inventory, which has reached the end of its useful life, with new equipment capable of dealing with reinforced high strength steel in many of the newer car models.
- Continue to check the operational readiness and appearance of all hydrants.
- Pursue compliance with NFPA 1710 guidelines.
- Continue to participate in regional Urban Search and Rescue (USAR) and Hazardous Materials training with the Raleigh and Chapel Hill Fire Departments.
- Continue attendance at PAC meetings, open Command Staff meeting format, and the station meeting program to ensure effective internal and external communication.
- Conduct courtesy home inspections at no cost to citizens.
- The department will continue its effort to address the impacts on fire protection, resulting from continued development in the downtown city center as well as in the newly annexed areas in eastern and southern Durham.
- Initiate construction of Fire Station 17 at Leesville Rd and Doc Nichols Rd,
- Finalize the acquisition of land for future Fire Station 18 in the area of Herndon Rd and Stinhurst Dr
- Increase the number of personnel with advanced certifications in special operations, emergency medical services, and leadership.
- Complete construction of and open Fire Station 17
- Complete fireground Standard Operating Guideline Project
- Promote two new Assistant Chief officers
- Complete modified renovations to old Fire Station 9 to accommodate the Fire Maintenance team
- Re-tool the Planning and Administration Division to enhance technological support staff.
- Fully implement Kronos
- Expand the capabilities of EMT-Intermediates by adding the interossius skill to their repertoire



# Police Department

(672 FTEs)



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## POLICE DEPARTMENT

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**Mission:**

To minimize crime, promote safety, and enhance the quality of life in partnership with our community.

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### DEPARTMENT DESCRIPTION

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**Police Department**

**General Fund: \$60,620,469**  
**656 FTEs**  
**Grant Funds: \$1,235,757**  
**16 FTEs**

The department is primarily responsible for protecting and safeguarding the lives and property of Durham residents through enforcement of criminal laws and safety education. Core functions are carried out through five operational bureaus: Patrol Services, Support Services, Investigative Services, Administrative Services and Office of the Chief. In addition, the department works collaboratively with City, County and State departments, area public safety agencies and community organizations to maximize resources and security and to heighten citizen engagement in safety and crime-related issues.

**Patrol Services Bureau:**

This program includes the traditional uniformed patrol officers and District Investigators. The sworn personnel within this program provide specific law enforcement services to the public, which include, but are not limited to, patrol responses to 911 requests for assistance, investigation and clearance of property crimes and the investigation of crimes against persons committed without a firearm.

**Support Services Bureau:**

The Support Services Bureau consists of four (4) divisions which are as follows: 1) the Special Services Division, 2) the Community Services Division, 3) the Special Projects/Logistics Division, and 4) the Analytical Services Division.

The Special Services Division consists of the Bicycle Unit, which is responsible for high visibility patrols and responding to calls for service in the Downtown area and providing security at City Hall; the Canine (K-9) Unit, which utilizes specially trained police dogs to search for contraband, track persons, search buildings and find articles; the Traffic and Crash Team, which concentrates enforcement efforts on traffic offenders in order to reduce roadway collisions, conducts investigations of motor vehicle collisions resulting in serious injury or fatality and conducts speed enforcement; the Motorcycle Unit, which provides escort services for funerals and dignitary processions, conducts traffic enforcement throughout the City and participates in demonstrations and community education programs about the unit; and Central Investigations, which is responsible for conducting follow-up investigations for property crimes and crimes against persons within the Downtown area.

The Community Services Division consists of the Community Resource Unit, which is responsible for Neighborhood Watch, security inspections for homes and businesses, conducting educational workshops/demonstrations, serves as liaisons to all City districts, manages the Mobile Substation, manages the Police Athletic League (PALs) and the Citizens Police Academy; the Gang Resistance Education and Training Unit (G.R.E.A.T.), which provides a class-room curriculum to prevent future participation in criminal activity; the Community Engagement Unit, which will provide a law enforcement presence and support to Public Housing neighborhoods; the Crisis Intervention Team (CIT), which focuses on both initial and follow-up responses to situations involving the mentally ill; the Victim Services Unit, which provides support services to victims of violent crime; and Project Safe Neighborhood (PSN), which focuses on reducing gun violence.

The Special Projects/Logistics Division consists of two (2) Slide Patrol Squads, which are responsible for providing support activities to Uniform Patrol; Watch Commanders, which are responsible for supervision of patrol operations; the Desk Unit, which is responsible for the management of the front desk in Headquarters on a 24-7 basis; the Court Liaison, which facilitates the scheduling of court dates and subpoena service to members of the Department for criminal cases; Secondary employment, which manages the employment of officers with outside entities; Towing & Licensing, which is responsible for all towing related activities for the Department and coordinates alcohol licensing and processes precious metal permits; Special Event Services, which provides community members with permits for special events; the Fleet Unit, which is responsible for maintaining the Department's vehicles at an optimal operating level; the Supply Unit, which is responsible for the receipt, storage

and distribution of uniforms, equipment and supplies; and the Reserve Officer Program, which manages the volunteer sworn police staff.

The Analytical Services Division consists of the Crime Analysis Unit, which is responsible researching and analyzing incident and crime data; the Criminal Intelligence Unit, which is responsible for the acquisition, processing and dissemination of intelligence information and the maintenance of intelligence records and files; the Records Unit, which serves as the custodian for all official police records; and the Division of Criminal Information/Warrant Control, which utilizes all available criminal justice databases to provide information to our officers and other law enforcement agencies.

**Investigative Services Bureau:**

This program consists of the Organized Crime Division (OCD), the Criminal Investigations Division (CID), and the Forensic Services Division (FSD).

OCD consists of the Selective Enforcement Team (SET), the Gang Intelligence Unit, the Major Crimes Unit, a Vice/Narcotics Unit, and a Biological/Chemical Emergency Response Team (BCERT).

CID provides criminal investigative services for cases requiring extensive follow-up or cases that are complicated in nature and consists of the following units: the Homicide Unit, the Domestic Violence Unit, the Special Victims Unit, the Financial Crime Unit and the Violent Crime Unit.

FSD is responsible for collecting and maintaining the integrity of evidence collected from crime scenes and property. The FSD is comprised of the following units: the Crime Scene Unit which is responsible for the collection, preservation and documentation of evidence; a Crime Lab Unit which is responsible for conducting or coordinating tests of evidence; and a Property/Evidence Unit which maintains custody and security of all evidence and property received.

**Administrative Services Bureau:**

This program includes Training and Recruiting, Fiscal Services, Planning and Research, Emergency Information Services, and Personnel Services.

The Training Unit provides in-service and new recruit training. The Recruiting Unit actively seeks qualified applicants and the Personnel Services Unit oversees the administration of our Human Capital. The Fiscal Services Unit provides fiscal management and grants administration. The Planning and Research Unit provides long term planning for growth requirements. Emergency Information Services provides computer support, statistical database maintenance, front line mobile data terminal and e-citation support.

**Office of the Chief:**

The Office of the Chief is comprised of the Professional Standards Division, the Executive Officer to the Chief of Police, an Administrative Assistant and the Public Affairs Unit.

The Professional Standards Division is responsible for the general oversight, compliance and accountability of all Department members and consists of the following units: the Internal Affairs Unit which is responsible for investigating citizen's complaints and all administrative and law violations by agency personnel; the Staff Inspections Office which is responsible for providing information on Department efficiencies and effectiveness and conducting inspections and audits; the Accreditation Office which is responsible for maintaining the Department's accredited status with CALEA.

The Executive Officer to the Chief of Police serves as the personal representative of the Chief for community concerns and business matters.

The Public Affairs Unit is responsible for gathering, developing and presenting information about the programs, services, policies and activities about the Department.



## RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$49,929,473	\$51,941,314	\$51,139,043	\$54,011,738	4.0%
Operating	5,029,555	5,816,594	6,517,772	6,104,169	4.9%
Capital and Other	58,981	-	-	269,980	100.0%
Transfers	33,212	39,251	112,807	234,582	497.6%
Subtotal Appropriations	\$55,051,221	\$57,797,159	\$57,769,622	\$60,620,469	4.9%
Nondepartmental					
North East Central Durham	\$ -	\$ -	\$ -	\$ -	0.0%
Subtotal Nondepartmental	\$ -	\$ -	\$ -	\$ -	0.0%
Total Appropriations	\$55,051,221	\$57,797,159	\$57,769,622	\$60,620,469	4.9%
Full Time Equivalents	615	656	656	656	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$54,957,368	\$57,707,362	\$57,680,311	\$60,526,890	4.9%
Program	93,853	89,797	89,311	93,579	4.2%
Total Revenues	\$55,051,221	\$57,797,159	\$57,769,622	\$60,620,469	4.9%
Grant					
Personal Services	\$ 59,893	\$ 278,611	\$ 403,250	\$ 199,751	-28.3%
Operating	565,211	1,058,256	476,654	1,036,006	-2.1%
Capital and Other	-	86,052	390,570	-	-100.0%
Total Appropriations	\$ 625,104	\$ 1,422,919	\$ 1,270,474	\$ 1,235,757	-13.2%
Full Time Equivalents	-	-	16	16	16.0
Part Time	-	-	-	-	-
Revenues					
Grants	\$ 625,104	\$ 1,422,919	\$ 1,270,474	\$ 1,235,757	-13.2%
Total Grant Revenue	\$ 625,104	\$ 1,422,919	\$ 1,270,474	\$ 1,235,757	-13.2%
Total Budget	\$55,676,325	\$59,220,078	\$59,040,096	\$61,856,226	4.5%

## DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

**Program:** Uniform Patrol Bureau

**General Fund:** \$27,421,411  
**FTEs:** 303

**Grant Funds:** \$1,235,757  
**FTEs:** 16

**Program:** Support Services Bureau

**General Fund:** \$12,644,044  
**FTEs:** 150

**Goal:** Safe and Secure Community

**Objective:** To maintain the number of violent crimes at or below 700 per 100,000.

**Initiative:** Pursue proactive enforcement to include data driven policing and community based initiatives.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# Violent crimes per 100,000	876	700	889	700

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# Property crimes per 100,000	3,939	4,700	4,081	4,700

**Goal:** Safe and Secure Community

**Objective:** To ensure an average response time of 5.8 minutes or less to Priority 1 calls.

**Initiative:** Maintain adequate staffing levels of well trained call takers in Uniform Patrol and continue use of AVL system.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Average response time to all Priority 1 calls (minutes)	6.3	5.8	6.2	5.8

**Goal:** Safe and Secure Community

**Objective:** To respond to 57% or more of Priority 1 calls in less than 5 minutes.

**Initiative:** Maintain well-trained officers in Uniform Patrol and staff Uniform Patrol beats appropriately to maintain beat integrity and monitor response times to Priority 1 calls; continue collaboration with communications on call-taking issues.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Priority 1 calls responded to in less than 5 minutes	51.2%	57.0%	53.0%	57.0%

**Goal:** Safe and Secure Community

**Objective:** Decrease an identified high utilizer's calls for service for the year following initial contact with CIT staff compared to the year preceding initial contact.

**Initiative:** Maintain officers that are well-trained in CIT intervention and referral methods.

<b>Program:</b> Investigative Services Bureau	<b>General Fund:</b> \$10,884,584
	<b>FTEs:</b> 129

**Goal:** Safe and Secure Community

**Objective:** To maintain a minimum FY Violent Crime Clearance Rate of 50% or higher.

**Initiative:** Maintain well-trained investigators, monitor case clearance rate and maintain enhanced information sharing with the community.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Violent crime FY clearance rate	35%	50%	35%	50%

**Goal:** Safe and Secure Community

**Objective:** To maintain a minimum FY Property Crime Clearance Rate of 23% or higher.

**Initiative:** Maintain well-trained officers, monitor case clearance rate and maintain enhanced information sharing with the community.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
Property crime FY clearance rate	21%	23%	20%	23%

<b>Program:</b> The Office of the Chief	<b>General Fund:</b>	<b>\$3,735,426</b>
	<b>FTEs:</b>	<b>31</b>
<b>Program:</b> Administrative Services Bureau	<b>General Fund:</b>	<b>\$5,935,004</b>
	<b>FTEs:</b>	<b>43</b>

**Goal:** Innovative & High Performing Organization

**Objective:** To achieve an operational vacancy rate of 6% per month for authorized and funded sworn positions.

**Initiative:** Maintain aggressive, diverse recruiting efforts and utilize over-hires to meet operational needs.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
Average sworn operational vacancy rate	7.00%	6.00%	14.00%	6.00%

**Goal:** Innovative & High Performing Organization

**Objective:** To maintain an average of 15 years of experience for sworn personnel.

**Initiative:** Maintain aggressive, diverse recruiting efforts, provide incentives for longevity of all officers, and utilize over-hires to meet operational needs.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
Average years of experience in Uniform Patrol	N/A	15.0	11.1	15.0

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
% of sworn living in the City of Durham	N/A	45%	36%	45%

**Goal:** Innovative & High Performing Organization

**Objective:** To conduct a citywide survey that measures how well the public feels the department is serving them.

**Initiative:** Conduct annual survey through the ETC Institute.

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
% Residents that feel Durham Police Officers are courteous	N/A	100%	79%	100%

	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
<b>Measures:</b>				
% Residents that feel the Dept is trying hard to maintain good relations with the community	N/A	100%	69%	100%

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#### BUDGET ISSUES FOR FY 2017-18

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- The attrition rate through the first seven months of FY17 averaged 5.4 officers per month, which impacts the presence of law enforcement officers on the streets. The Department will continue to explore innovative recruiting techniques. New hiring and retention incentives, and a new sworn pay structure will help to reduce

the current operational vacancy rate, but the targeted rate of 6% of funded officers will be a challenge to meet for FY18. Lapsed salaries will be available to operate academies, at the approval of the City Manager.

- The operational vacancy rate for the department averaged 13.7% per month for the first seven months of the fiscal year. Overtime appropriations are used to fund special crime fighting initiatives and to compensate for operational vacancies.
- A staffing analysis conducted by the International Association of Chiefs of Police (IACP) demonstrates a significant need for additional resources and modification to the existing organizational structure. As such, the department is redeploying existing resources as staffing levels allow.
- Additional training funds would allow the Department to support more of its employees in enhancing their job-related skills.
- Increases in operating expenses and expansion of police technology have historically been funded from forfeiture funds. The forfeiture funds have decreased for several years and are not expected to increase. This will result in the necessity of difficult decisions needing to be made about what resources will be used for operating expenses of the Department.

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#### ACCOMPLISHMENTS FOR FY 2016-17

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- The Department continues to focus on reducing violent and property crimes. When comparing violent crimes committed per 100,000 in fiscal year 2015 to violent crimes committed per 100,000 in fiscal year 2016, there was an overall increase in violent crimes committed of 7.0% (819 to 876).
- When comparing property crimes committed per 100,000 in fiscal year 2015 to fiscal year 2016, there was an overall decrease in property crimes of 14.4% (4,601 to 3,939).
- Hired 20 recruits for the August 2016 BLET academy, of which 11 have now graduated and are in field training. Hired 25 recruits for the February 2017 BLET academy. The current sworn vacancy rate is 7.7%.
- The Department met or exceeded the national average in crime clearance rates in all categories for cities with similar populations.
- Maintained an average response time to Priority 1 calls for service in the first half of fiscal year 2017 of 6.4 minutes, compared to the target time of 5.8 minutes.
- As a result of the IACP staffing study in 2016, began practical, prioritized structural changes to the organization to upgrade the effectiveness and productivity of police services. These changes included the creation of a Robbery Task Force and a Community Engagement Unit. The Community Engagement Unit will provide law enforcement services in our Public Housing Community and will be formed as soon as staffing will allow. Personnel in the High Enforcement Abatement Team (H.E.A.T.) and the Violent Incent Reduction Team (V.I.R.T.) have been redeployed to other divisions/units.
- After an RFP and thorough testing and evaluation for the body-worn camera program in FY16-17, a five year contract with VieVu, LLC was approved by City Council. Training on the use of body cameras has begun with limited distribution and use in the field. Distribution to uniform patrol officers is expected to be completed late in FY16-17.
- Began implementation of a take-home car program for Uniform Patrol officers living within Durham City limits. Seven take-home vehicles have been rolled out, with 28 more due to be rolled out before the end of the fiscal year.
- Launched the new Police to Citizen (P2C) online service to help people find information related to services provided by the department. P2C will help people enter certain incident reports, perform simple searches and retrieve, download and print certain reports.
- Recognitions and efforts made to improve the department's image include the following:
  - Sponsored a contract through You & Five-O, LLC to conduct multiple workshops on Practical Strategies for Interacting With Law Enforcement in accordance with the department's community policing philosophy.
  - Created liaison positions with the Community Services Bureau for an LGBTQ liaison and a Hispanic liaison in order to bolster community relations with these two groups. In support of the Mayor's Poverty Reduction Initiative, a Community Liaison position was created to serve citizens in census tract 10.01 in District 1.
  - The Citizens Police Academy (CPA) was the focus of a CNN feature story. The news agency crew participated in the use of the department's new Simulation Trainer, and filmed the CPA graduation.
  - Created the 2017 Talon awards to honor women in law enforcement. This new awards ceremony will take place later in the fiscal year.
  - The Crisis Intervention Team (CIT) handed out "Empowerment Coats" to homeless individuals during the winter months as part of a larger homeless outreach initiative. Empowerment Coats are heavy duty sleeping bags that convert into a winter coat when needed.

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**ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

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- Fully implement a Restructuring of the Department to improve our operational effectiveness.
- Train and deploy body worn cameras to officers in specialized units.
- Continue implementation of a Take-Home Patrol Vehicle program.
- Begin construction on restroom facilities at the Firing Range.
- Continue to focus on the reduction of violent crime and property crime.
- Continue to evaluate and strengthen our recruiting efforts in order to hire and graduate BLET academies as needed.
- Maintain an average sworn vacancy rate of 0% and sworn operational vacancy rate of 6% or less.
- Meet or exceed the national average in crime clearance rates for cities with similar populations.
- Reduce Part 1 crimes per capita in comparison to the previous calendar year.
- Maintain acceptable response times to all Priority 1 calls.
- Continue efforts to improve the Department's public image.
- Overtime efforts will continue to be used to raise staffing levels due to high vacancies.
- Continue the Bulls-Eye and Residential Awareness Program Initiatives.

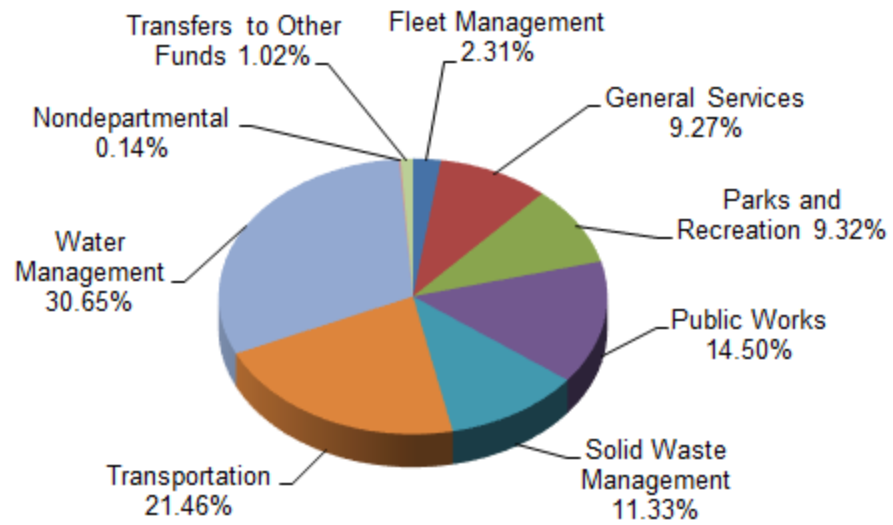
**PUBLIC SERVICES  
BUDGET SUMMARY**

	<b>Actual FY 2015-16</b>	<b>Adopted FY 2016-17</b>	<b>Estimated FY 2016-17</b>	<b>Proposed FY 2017-18</b>	<b>Change</b>
<b>Non-Grant</b>					
<b>Appropriations</b>					
Fleet Management	\$ 3,126,951	\$ 3,328,854	\$ 3,435,826	\$ 3,359,358	0.9%
General Services	11,852,034	12,010,256	13,555,098	13,461,370	12.1%
Parks and Recreation	11,037,920	12,948,649	14,786,245	13,543,890	4.6%
Public Works	18,582,138	22,760,160	21,692,603	21,062,742	-7.5%
Solid Waste Management	14,940,636	15,455,515	16,654,886	16,460,931	6.5%
Transportation	26,366,214	29,601,265	30,766,165	31,158,444	5.3%
Water Management	39,846,394	43,486,607	42,583,955	44,548,502	2.4%
Nondepartmental	149,038	200,000	200,000	\$200,000	0.0%
Transfers to Other Funds	2,163,881	1,832,293	2,158,137	\$1,488,417	-18.8%
<b>Total Appropriations</b>	<b>\$ 128,065,206</b>	<b>\$ 141,623,599</b>	<b>\$ 145,832,915</b>	<b>\$ 145,283,654</b>	<b>2.6%</b>
Full Time Equivalents	990.5	992.5	992.5	1,011.5	19
Part Time	86	86	86	81	(5)
<b>Revenues</b>					
General Fund					
Discretionary	\$ 36,580,349	\$ 42,420,400	\$ 43,716,512	\$ 42,471,710	0.1%
Program	4,764,798	4,415,568	4,611,861	3,579,260	-18.9%
General Fund Subtotal	\$ 41,345,147	\$ 46,835,968	\$ 48,328,373	\$ 46,050,970	-1.7%
Ballpark Fund	42,960	42,022	42,415	112,610	168.0%
Parking Fund	2,705,139	3,181,825	3,187,049	3,548,128	11.5%
Solid Waste Disposal Fund	15,083,467	15,711,647	16,852,660	16,728,131	6.5%
Storm Water Fund	7,724,302	8,864,905	9,812,146	9,751,844	10.0%
Transit Fund	18,131,026	20,171,073	21,572,908	20,769,725	3.0%
Water and Sewer Fund	43,033,165	46,816,159	46,037,364	48,322,246	3.2%
<b>Total Revenues</b>	<b>\$ 128,065,206</b>	<b>\$ 141,623,599</b>	<b>\$ 145,832,915</b>	<b>\$ 145,283,654</b>	<b>2.6%</b>
<b>Grants</b>					
Transit Grant	\$ 4,243,274	\$ 6,509,377	\$ 6,509,377	\$ 5,830,979	-10.4%
Transportation Planning	2,241,079	2,715,731	2,778,000	2,772,896	2.1%
<b>Total Grants</b>	<b>\$ 6,484,353</b>	<b>\$ 9,225,108</b>	<b>\$ 9,287,377</b>	<b>\$ 8,603,875</b>	<b>-6.7%</b>
Full Time Equivalents	11.5	11.5	11.5	11.5	-
Part Time	2	2	2	2	-
<b>Total Budget</b>	<b>\$ 134,549,559</b>	<b>\$ 150,848,707</b>	<b>\$ 155,120,292</b>	<b>\$ 153,887,529</b>	<b>2.0%</b>

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## PUBLIC SERVICES

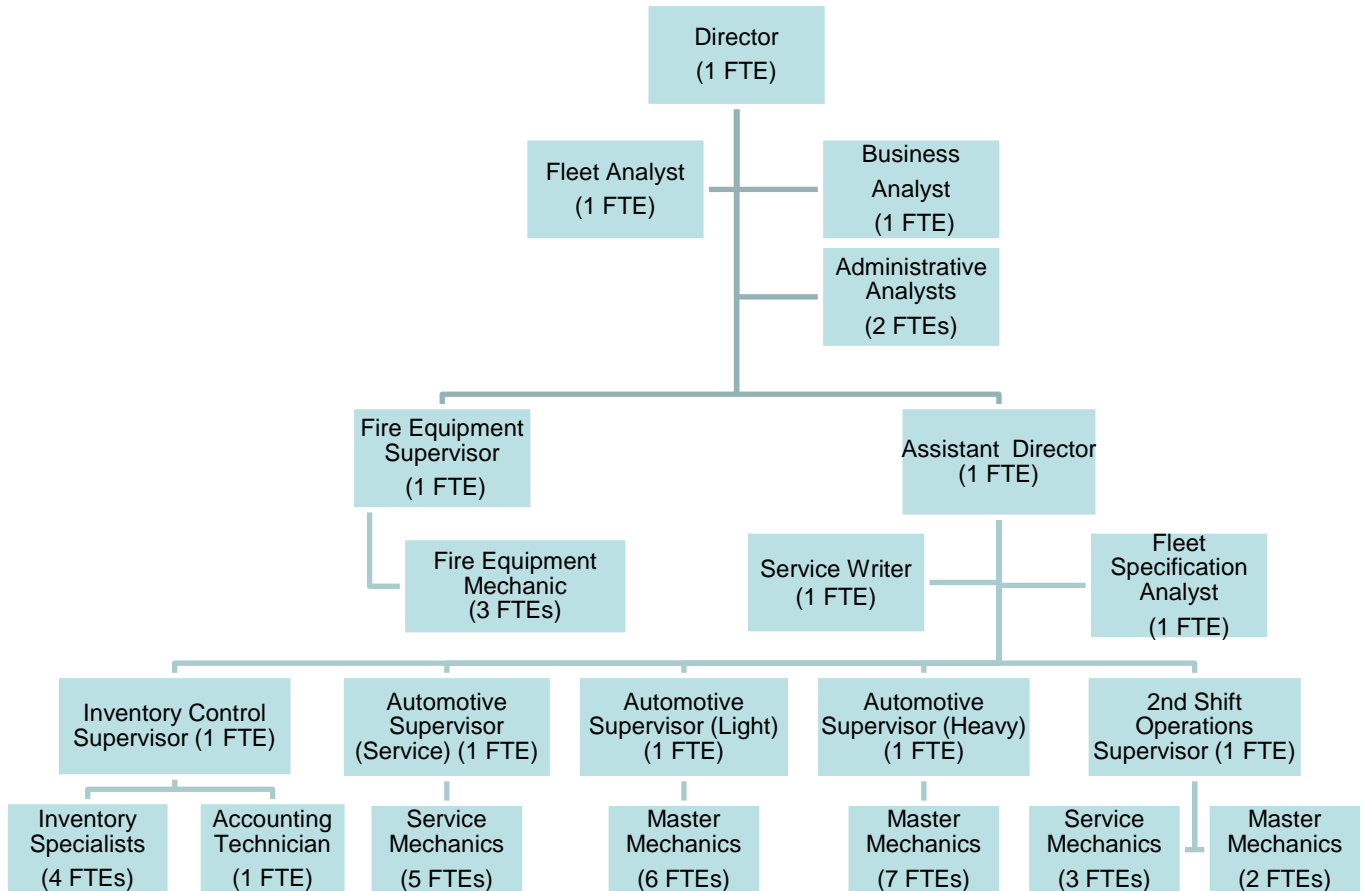
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# Fleet Department

(45 FTEs)





## FLEET MANAGEMENT

### Purpose Statement:

To provide timely, cost effective and high quality services to our customers while achieving the highest levels of customer satisfaction. The Department of Fleet Management consists of three core business functions: Fleet Asset Management, Fleet Maintenance, and Fire Maintenance. The department strives to maintain a high level of compliance with the preventive maintenance program (PM), manage a consolidated vehicle/equipment replacement program, provide 24/7 support to the Fire Department's suppression vehicles, 24/7, and 24/7 support for fleet functions during emergency events

### DEPARTMENT DESCRIPTIONS

<b>Fleet Management</b>	<b>\$3,359,358</b>
<b>Fleet Asset Management/Fleet Maintenance/Fire Maintenance</b>	<b>45 FTEs</b>

Fleet Operations provides cost effective, quality and timely vehicle repair and management services to all city departments. Services are provided through seven organizational teams: Heavy Equipment, Light Equipment, Service, Night, Fire, Parts, and Administrative. The division supports over 1500 vehicles/equipment for departments including; Police, Fire, Public Works, Solid Waste, Water Management, General Services, and others. Fleet provides refueling for all city vehicles at two operational sites. Fire Maintenance operates out of an additional facility and supports the City's fire suppression vehicles. This includes emergency services 24 hours a day, 7 days a week. Fleet has a direct support mission to the Police and Fire departments that affects their ability to fight crime and fire. Fleet also has a direct support mission for all departments that provide core services to our citizens (Solid Waste, Water Management, Public Works, General Services, Parks and Recreation, etc.). Fleet services are extended during emergency events to include 24-hour operations when needed.

### RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 2,766,200	\$ 2,865,864	\$ 2,865,864	\$ 2,999,368	4.7%
Operating	299,085	351,990	407,250	359,990	2.3%
Capital and Other	61,666	111,000	120,433	-	-100.0%
Total Appropriations	\$ 3,126,951	\$ 3,328,854	\$ 3,393,547	\$ 3,359,358	0.9%
Full Time Equivalents	53	45	45	45	-
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 2,864,410	\$ 3,316,854	\$ 3,353,547	\$ 3,342,358	0.8%
Program	262,541	12,000	40,000	17,000	41.7%
Total Revenues	\$ 3,126,951	\$ 3,328,854	\$ 3,393,547	\$ 3,359,358	0.9%

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**DEPARTMENT PROGRAMS & PERFORMANCE MEASURES**

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**Program:** Fleet Maintenance/Fire Maintenance **General Fund: \$3,359,358**  
**FTEs: 45**

**Goal:** Stewardship of City's Physical Assets & Well Managed City

**Objective:** Provide cost effective and efficient maintenance services to ensure vehicles and equipment are serviced, safe and reliable. This includes maintaining high preventative maintenance (PM) compliance. These efforts protect the value of the assets. The PM program insures the availability of the asset, allowing user departments to provide the citizens the services timelier, contributing to a well-managed City.

**Initiative:** Utilize the fleet management software system to ensure that maintenance standards are achieved and use the software system to identify replacement vehicles/equipment. Monitoring direct labor, managing an effective PM program and focusing on availability as primary indicators, will assure that our total maintenance management focus stays on track.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
% work orders scheduled maintenance vs. unscheduled	59%	55%	55%	55%
% repairs from PM service	33%	34%	34%	34%

**Goal:** Safe and Secure Community & Thriving Livable Neighborhoods

**Objective:** Insure that the City's fleet has high availability; repairs are made properly and provide an effective consolidated replacement program. This insures that the Police and Fire have their vehicles to provide for a safe and secure community. This also insures that Solid Waste, Public Works, Water, Neighborhood Improvement, Parks & Recreation and General Services can provide the services that promote thriving livable neighborhoods.

**Initiative:** Utilize the fleet software system to track availability and comeback repairs. The fleet software system will be used to control fleet size through annual utilizations studies, complemented by using an effective scoring system to make sound fleet replacement decisions.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Vehicles/Equipment Supported (Includes small equipment in fleet)	1,638	1,560	1,694	1,715
% Fleet availability (Light)	93%	95%	95%	95%
% Fleet availability (Heavy)	92%	95%	95%	95%
% Comebacks per total work orders	0.2%	<0.20	<0.20%	<0.20%
% Work orders within 24 hours	81%	85%	85%	85%
# Vehicles in service per technician	68.3	55	67	65

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**BUDGET ISSUES FOR FY 2017-18**

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- Ongoing building, grounds, and equipment maintenance needs on two aging facilities.
- Fleet staffing levels; slightly understaffed according to industry standards (vehicle/technician ratio).
- Fire Maintenance is quickly outgrowing maintenance facility.
- Downtime and Availability issues related to facilities age and staffing levels

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**ACCOMPLISHMENTS FOR FY 2016-17**

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- Recognized as the 49<sup>th</sup> best managed government fleet in the nation by 100 Best Government Fleets.
- Recognized as the 37<sup>th</sup> best managed government fleet in the nation by the Government Green Fleet.
- Recognized as a Top 50 by Leading Fleets.
- Recognized in Government Fleet Magazine Article: "13 Bright Ideas for Fleet Improvement"
- Recognized in The Municipal magazine Article: Planning and Benchmarking Drive Durham Fleet into Winner's Circle"
- Continue to see upward trends in key performance indicators and performance measures
- Adopted an Annual Risk/Safety Plan.
- Completed eleventh year of consolidated vehicle replacement plan.
- Entered into the third year of a contract to provide repair services for Durham County Fire.
- Developed a comprehensive 10 year vehicle replacement plan
- Installed and are utilizing a Digital Message Board system with success in engaging employees

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**ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

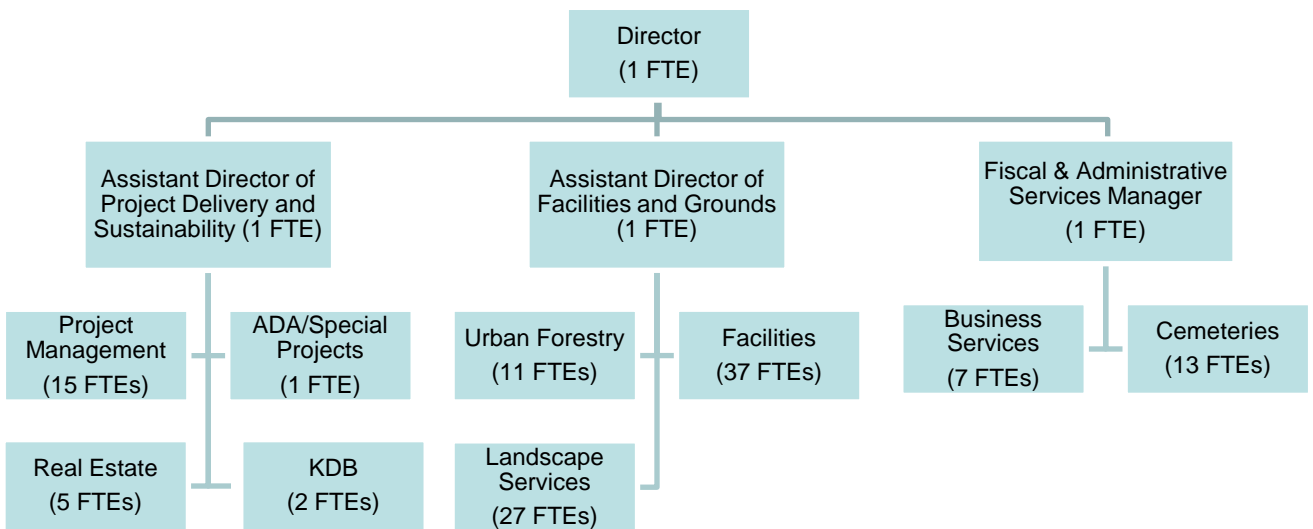
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- Remain on the Government Green Fleet list possibly advancing our previous position.
- Remain in contention for a position in the 100 Best Fleets.
- Remain in contention for a position in the Leading Fleets.
- Continue best business practices for citywide vehicle utilization program.
- Sustain consolidated vehicle replacement plan.
- Develop and implement a new 2 year Strategic Plan



# General Services

(122 FTEs)



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## GENERAL SERVICES

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### Purpose Statement:

To create, manage, and maintain city properties to provide best value to our community

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### DEPARTMENT DESCRIPTION

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#### General Services

**General Fund: \$13,348,760**  
**122 FTEs**

#### Administration

Administration manages the department and provides business and support services to the individual divisions. All administrative activities for the entire department are channeled through and coordinated by this unit. In addition to offering departmental support, the Business Services and Work Control groups deliver administrative and contract management support to the City's Community Facilities. Administration assists with city-wide compliance with the Americans with Disabilities Act (ADA), asset/space management, planning for other departments' facilities and other special projects.

#### Facilities Operations

The Facilities Operations division is responsible for the maintenance of 1.7 million square feet of City buildings, including the Durham Performing Arts Center (DPAC), City Hall, Durham Arts Council, Carolina Theatre, Durham Convention Center, Durham Station, Durham Athletic Park and the Durham Bulls Athletic Park. This core service provides maintenance and repairs and associated project management of HVAC, building energy management, electrical and plumbing systems, as well as carpentry and painting, for City facilities, and parks and recreation centers. Custodial Services for City facilities and the small neighborhood recreation centers is also provided. This operation provides after hours on-call service for reporting and responding to emergencies.

#### Landscape Services

The Landscape Services division is responsible for enhancing and maintaining the City's public spaces, recreation centers grounds and rights-of-way using current horticultural practices to implement grounds maintenance, landscape installation and turf management. This division also maintains the landscape installations in public areas, plazas and around decorative fountains and outdoor amenities on City property in downtown Durham.

#### Urban Forestry

The Urban Forestry division provides arboriculture services including pruning, planting, removal and protection, ordinance enforcement, and consultation to the residents of Durham regarding trees on maintained City property and rights-of-way. This operation provides after hour on-call service for reporting and responding to emergencies.

#### Cemetery Operations

The Cemetery Division operates and maintains the City's two cemeteries: Maplewood and Beechwood (a total of approximately 150 acres). Services provided include the sale of grave spaces, columbarium and mausoleum niches, burials, grave marker installation, as well as landscaping and maintenance of the properties.

#### Project Management

The Project Management division manages and coordinates the design and construction of a wide range of the City's public improvements, administers the City's Deferred Maintenance program and coordinates energy management initiatives and projects. Services include conducting feasibility studies, preparing construction plans, and providing project administration for facility renovations, new facility construction and parks.

## Real Estate

The Real Estate division provides support services to all City departments. Services include property acquisition and disposition, leasing and property management, development support, comparative market analyses, and management of the City's property inventory.

## Keep Durham Beautiful

Keep Durham Beautiful, Inc. (KDB) is a non-profit volunteer-based organization whose mission is to engage and inspire individuals to take greater responsibility for their community environment. KDB encourages beautification, litter reduction and recycling by fostering community awareness and resident involvement through educational and programmatic activities. A local affiliate of the national organization, Keep America Beautiful, KDB forms partnerships with businesses, organizations and individuals to leverage resources to enhance City and County appearance. KDB has many initiatives including the annual Litter Index (a visual assessment of litter on City streets), organized litter cleanups, environmental education, community greening and other beautification activities.

## Sustainability

The City – County joint sustainability initiative is funded as part of the General Services budget.

### RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 7,832,559	\$ 8,053,039	\$ 7,957,877	\$ 8,558,927	6.3%
Operating	3,900,477	3,876,670	5,542,374	4,900,443	26.4%
Capital and Other	118,998	80,547	54,847	2,000	-97.5%
Total Appropriations	\$ 11,852,034	\$ 12,010,256	\$ 13,555,098	\$ 13,461,370	12.1%
Full Time Equivalents	124	121	121	122	1
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 11,294,966	\$ 11,507,234	\$ 13,051,263	\$ 12,862,760	11.8%
Program	514,108	461,000	461,420	486,000	5.4%
Total General Fund	\$ 11,809,074	\$ 11,968,234	\$ 13,512,683	\$ 13,348,760	11.5%
Ballpark Fund	42,960	42,022	42,415	112,610	168.0%
Total Revenues	\$ 11,852,034	\$ 12,010,256	\$ 13,555,098	\$ 13,461,370	12.1%

### DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

<b>Program:</b>	Administration	<b>General Fund:</b> \$1,556,061 <b>FTEs:</b> 12
<b>Goal:</b>	Innovative & High Performing Organization and Stewardship of City's Physical Assets	
<b>Objective:</b>	To perform accounting services in a systematic manner in order to provide timely processing and payment of procurement documents.	
<b>Initiative:</b>	Utilize work order system to improve responsiveness and adhere to City and departmental standards.	

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Procurement documents processed within 3 business days	79%	85%	85%	85%
<b>Program:</b>	Facility Management			<b>General Fund: \$5,027,796</b>
				<b>FTEs: 25</b>
<b>Goal:</b>	Stewardship of City's Physical Assets			
<b>Objective:</b>	To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.			
<b>Initiative:</b>	Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.			
<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Reactive work orders per quarter	37%	25%	28%	25%
Avg Days to Complete work orders	7	6	6	6
<b>Program:</b>	Custodial Services			<b>General Fund: \$742,751</b>
				<b>FTEs: 12</b>
<b>Goal:</b>	Stewardship of City's Physical Assets			
<b>Objective:</b>	To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.			
<b>Initiative:</b>	Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.			
<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Preventive maintenance work orders completed on schedule	100%	100%	100%	100%
<b>Program:</b>	Landscape Services			<b>General Fund: \$2,089,042</b>
				<b>FTEs: 27</b>
<b>Goal:</b>	Stewardship of City's Physical Assets			
<b>Objective:</b>	To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.			
<b>Initiative:</b>	Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.			
<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Avg # days to complete service requests	7	8	8	8
% of self-performed mowing cycles completed in adherence with adopted frequency standards as part of the GSD Operations and Management Plan	85%	85%	91%	85%

**Program:** Urban Forestry **General Fund: \$853,320**  
**FTEs: 11**

**Goal:** Thriving, Livable Neighborhoods and Stewardship of City's Physical Assets

**Objective:** To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.

**Initiative:** Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Avg # of labor hours per service request	16	16	16	16
Avg # days to complete service requests	59	35	35	35

**Program:** Cemetery Operations **General Fund: \$892,668**  
**FTEs: 13**

**Goal:** Stewardship of City's Physical Assets

**Objective:** To perform maintenance in a systematic manner and to provide a clean and well-maintained environment.

**Initiative:** Utilize work order system to improve responsiveness and adhere to departmental maintenance standards.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Mowing Cycles completed in adherence with adopted frequency standards as part of the GSD Operations and Management Plan	83%	90%	95%	90%
Revenue % of total expenses	46%	51%	55%	53%

**Program:** Project Management **General Fund: \$1,445,602**  
**FTEs: 15**

**Goal:** Stewardship of City's Physical Assets

**Objective:** To maintain approved project scope, schedule and budget.

**Initiative:** Utilize best practices to control variance from original budget, scope and schedule.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Project design schedules maintained on time	60%	75%	78%	75%
% Project construction schedules maintained on time	49%	75%	75%	75%
% of projects with change orders less than 5% of original amount	73%	75%	70%	75%

**Program:** Energy Management



**Program:** Real Estate **General Fund: \$470,089**  
**FTEs: 5**

**Goal:** Innovative & High Performing Organization and Stewardship of City's Physical Assets

**Objective:** To measure the workload of real estate officers performing acquisitions, sales, leasing, database development, and other real estate matters for both internal and external customers.

**Initiative:** To use a portfolio management technique to track the number of real estate matters handled per real estate officer.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Average # of real estate transactions completed annually per Real Estate Officer	17	20	30	30

**Program:** Keep Durham Beautiful and Sustainability Office **General Fund: \$271,431**  
**FTEs: 2**

**Goal:** Thriving Livable Neighborhoods

**Objective:** To support strategies designed to strengthen the City's partnership with community groups to improve and enhance the appearance, environmental stewardship and sustainability of Durham through sustainable practices, environmental stewardship education, litter abatement, solid waste reduction education, community greening and beautification.

**Initiative:** Focus on strategies that continue community cleanup activities, in conjunction with other City departments, community agencies and organizations, and Keep Durham Beautiful.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# New Partnerships formed/created	45	40	50	40
# of Volunteer Hours	10,481	10,800	10,800	10,000

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#### BUDGET ISSUES FOR FY 2017-18

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- Facility Condition Assessment
- Citywide Facility Plan
- Street Tree Inventory Results
- Asphalt Maintenance and Storm Water Drainage Repair on Trails
- General Fund Sources of Project Funding (Non-CIP)

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#### ACCOMPLISHMENTS FOR FY 2016-17

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- Continued implementation of work order system for the Facilities Custodial Services and Building Maintenance Operations Divisions
- Continued implementation of inventory control system for Facilities Custodial Services and Building Maintenance Operations Divisions
- Created facility maintenance plans for an additional two (2) City facilities
- Continued verification process with City Operators for facility maintenance plans
- Identified storage platform for facility maintenance plans
- Continued implementation of the Dedicated Parks initiative
- Completed refresh of preventive maintenance for systems and equipment in City buildings/recreation centers
- Completed Bid Services for Custodial Services at District #1 Police Sub-Station
- Completed Contract Amendment for Custodial Services at District #3 Police Sub-Station
- Continued Contract Administration for City-wide Pest Control and Elevator Maintenance Services
- Completed Design and Installation of New Automaton Controls for Solid Waste

- Continued Maintenance and Repair Reviews and Support for City Civic Spaces to include: DPAC, DBAP, Convention Center, Arts Council and Carolina Theater.
- Continued expansion of volunteer participation in the tree planting partnership with “Trees Across Durham” and the City/County Sustainability Office
- Completed Fleet HVAC and Controls project
- Completed Edgemont Park Playground replacement project
- Completed DPR Pre-fab (Portland Loo) Bathroom project
- Completed DPR Floodplain Playgrounds project
- Completed Fireproofing Repair at Durham Convention Center
- Completed FY16 Deferred Maintenance Projects including: Fire Station 2 Window Repair; Corcoran Deck Lot, Lot 8, Fleet Lot and PWOC Fuel Island Repaving; Fire Station 6 & 11 Re-roofing and Envelope Repairs;
- Completed FY17 Deferred Maintenance Projects: Fire Station HVAC Replacements; Fire Station 12 Roof Replacement. Replace Air Handlers and Return Fans in City Hall, Replace Floor Box Heating in City Hall Council Chambers, Replace Window Seal Material throughout the Solid Waste Facility
- Completed Fleet HVAC and Controls project
- Completed Retro-Commissioning and Sub-meter Installation at Durham Convention Center
- Completed Fire Station 9
- Completed Fire Station 1 HVAC
- Completed Fire Station 13 Roof and Envelope Repair
- Completed City Hall Lighting and Controls Project in City Manager’s Office
- Completed City Hall Committee Room HVAC Improvements
- Completed Design of City Hall 3<sup>rd</sup> and 4<sup>th</sup> Floor HVAC & Lighting
- Completed FY16 DPR Paving, Athletic Court, Athletic Field, Bathroom and Lighting Improvement Projects
- Completed Design ADA Improvements at Valley Springs and Basis of Design Report for West Point on the Eno Park
- Completed Design and Began Construction of Police Headquarters and 911 Project
- Completed PWOC Bathroom Upgrades
- Began Design of Firing Range Bathrooms
- Began SWM Annex Design
- Completed Design and Began Construction of Sign and Signal Shop
- Completed Resurfacing of Lot 8 and Corcoran Lot
- Completed Parks Driveway and Parking lot Paving: Duke Park Acadia St parking, Red Maple, Lakeview, Wrightwood
- Completed Parks Athletic Court resurfacing: Red Maple basketball courts, Sherwood futsal courts
- Completed Parks Bathroom Updates: Whippoorwill, Southern Boundaries, Wrightwood
- Completed FY17 Deferred Maintenance Projects: Edison Johnson Rec Center Condition Assessment; Door Openers at Edison Johnson and Campus Hills; Handrail at Solid Waste Management; Paint Campus Hills Pool Ceiling; Repair Roof at Leigh Farm Park Visitor Center; Paint Exterior of Mangum House; Condition Assessment of Envelope at Fire Station 12; Design of HVAC Replacements for nine City Facilities; Concrete Apron Replacement at Fire Station 2; Replacement of Concrete Drive at Fire Station 13; Replacement of Reheat boxes in Council Chambers; Replacement of Four Air Handler Assemblies at City Hall; Update of City Hall Digital Signage.
- Completed DCC Lobby Renovations
- Completed DCC Capital Plan and Facility Maintenance Plan
- Completed DCC Fireproofing Repairs
- Completed acquisition of property adjacent to Twin Lakes Park
- Completed acquisitions for the Southeast Pressure Zone project
- Completed acquisitions for the East Durham Sanitary Sewer Project
- Completed acquisition for the Fayetteville Street SRTS Sidewalk Project
- Completed acquisitions for the Avondale Drive Sidewalk Project
- Completed acquisitions for the Forest Hills Sanitary Sewer Project
- Completed acquisitions for the Campus Walk Sidewalk Project
- Completed acquisitions for the University Drive Sidewalk Project
- Completed Lease transaction with Albright Community Association for use of 1017 Juniper Street
- Completed extension of lease for Museum of Durham History

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**ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

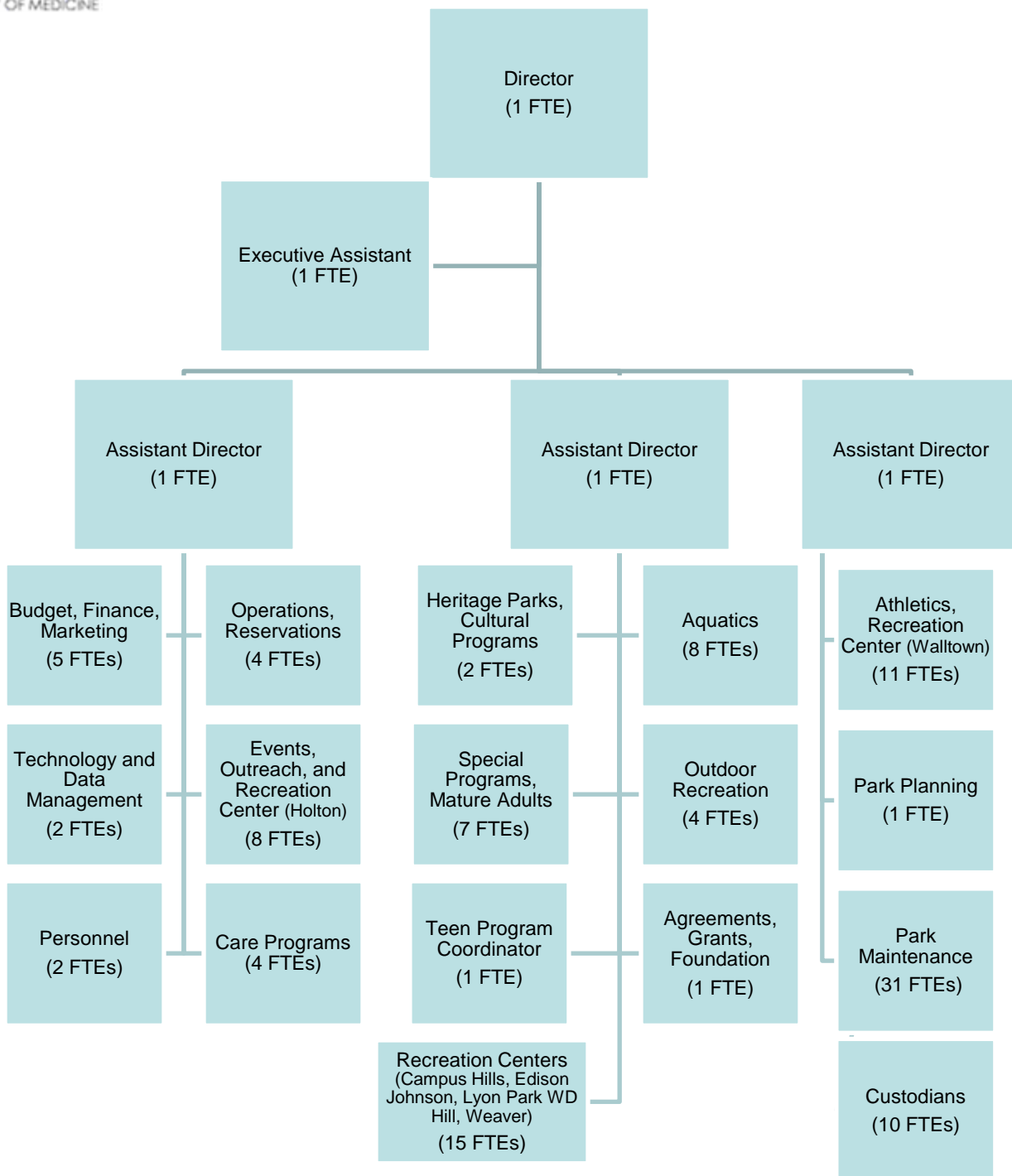
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- Lead Sustainability Team to develop Roadmap to Sustainability (Sustainability Strategic Plan/Goal 5)
- Seek certification through the STAR Community Rating System
- Implement place-based KDB signage at partnership sites to strengthen the brand
- Increase number of returning partners and volunteers to create more impactful programs
- Significantly reduce litter problem in two target areas working within Litter Prevention Task Force to collaborate with community partners
- Seek grants for waste reduction, pollinator gardens and tree planting
- Plant trees through grants and partnerships in underserved communities
- Waste Wise Event Handbook/Guidelines Development
- Execute Deferred Maintenance Projects if funded for FY16-17: Replace Air Handlers and Return Fans in City Hall
- Replace Floor Box Heating in City Hall Council Chambers, Replace Window Seal Material throughout the Solid Waste Facility
- Complete Arc Flash Review for Electrical Power Systems at City Hall, City Hall Annex and Police Headquarters.
- Continue implementation of work order system for the Facilities Custodial Services and Building Maintenance Operations Divisions
- Continue implementation of inventory control system for Facilities Custodial Services and Building Maintenance Operations Divisions
- Continue verification process with City Operators for facility maintenance plans
- Execute new Maintenance Replacement budget by implementing projects earmarked for completion in FY17-18: Paving & Re-striping Parking Lots, City Hall Arc Flash Electrical Panel Study, Testing and Labeling, Replace Overhead Doors at Fleet Maintenance
- Execute new 2-year custodial services contract at Police Sub-Station #1
- Execute amended 2-year contract for custodial services at Police Sub-station #3
- Complete Bid Services for City-wide elevator services contract
- Complete Bid Services for City-wide pest control services contract
- Continue to support and manage the Smart Energy in Offices Campaign as the Operator Rep through Duke Energy
- Continue Maintenance and Repair Reviews and Support for City Civic Spaces to include: DPAC, DBAP, Convention Center, Arts Council and Carolina Theater.
- Begin Planning stages for Trades Program opportunity with the Durham Public School System (Blueprint for Success in Building Relationships with High School Students)
- Contract the landscape maintenance of the Martin Luther King Jr. Parkway median
- Continue to compile tree inventory data for entry into Open Tree Map
- Complete the Guthrie Street tree planting funded by the Duke Energy Foundation grant
- Roadway restructuring at both City Cemeteries – Maplewood and Beechwood
- Continue funding the Cemeteries' Perpetual Care Fund
- Complete Downtown Parking Garage Elevator Modernizations
- Complete DPR Pre-fab (Portland Loo) Bathroom project
- Complete DPR Floodplain Playgrounds project
- Complete feasibility studies/amenity expansion concept design for Twin Lakes, Morreene Rd, Snow Hill Parks
- Complete Parks Lighting Improvements: Crest Street Baseball Light
- Complete Fire Station 12 Roof Replacement
- Complete Lake Michie Dock Replacement
- Complete Arts Council Exterior Painting
- Complete Mangum House Exterior Painting
- Complete Solid Waste Transfer Ramp Repairs
- Complete City-wide Security Upgrades at Operations Sites, Pools and Recreation Centers
- Complete Athletic Court re-paving at Garrett Road Park
- Complete FY17 Park Driveway and Parking Lot Repaving
- Complete FY17 Park Restroom Upgrades
- Complete Upgrades of Lights in City Council Chambers
- Complete PWOC Material Storage Yard Expansion
- Complete DPAC Carpet and Seating Replacement
- Complete Weaver St. Rec Center Bathroom and Kitchen Renovations

- Complete Police Firing Range Bathroom.
- Complete Fire Admin Roof, Envelope and HVAC Updates.
- Complete Dehumidifier Replacement at Campus Hills Pool
- Complete Modernizations of Downtown Parking Garages
- Complete Updates at Maplewood Cemetery
- Complete Birchwood Park Upgrades
- Complete West Ellerbee Creek Trail
- Complete New American Tobacco Trail Parking Lot
- Complete Police Headquarters Complex
- Complete Fire Station 17
- Complete Sign and Signal Shop
- Complete Valley Springs ADA Improvements
- Complete Phase I of Hillandale Golf Cart Path Replacements
- Complete Design for City Hall and Annex Chiller, Boiler, Air Handler Replacements
- Complete Fire Station 2 Concrete Apron Replacement
- Complete Fire Station 14 Roof Repairs
- Complete Design of DPAC Access and Security Improvements
- Complete DCC Carpet Replacement
- Complete DCC Pipe Insulation in Jr. Ballroom
- Complete DCC LED Lights Phase 3 – PFC / Meeting & Board Room
- Complete DCC Exterior Signage
- Begin Construction of Solid Waste Truck Washing Station and Annex Renovation
- Begin Construction of Downtown Parking Garage
- Begin Construction of New Restroom at Longmeadow Park
- Complete Design for City Hall 3<sup>rd</sup> & 4<sup>th</sup> Floor Lighting and HVAC Upgrades
- Complete Design for Bryant Bridge South Trail
- Complete Phase I Implementation of Asset and Space Management System
- Complete acquisition of property adjacent to Mist Lake (anticipated Summer, 2017)
- Complete conveyance of property interests at 539 Foster Street
- Complete Lease transactions with Piedmont Wildlife Center at Leigh Farm Park
- Complete acquisitions for the Alston Avenue Sidewalk Project (anticipated assignment Summer, 2017)
- Complete acquisitions for the Duke Street Sidewalk Project (anticipated assignment Summer, 2017)
- Complete acquisitions for the NC54 Sidewalk Project (anticipated assignment Summer, 2017)
- Complete acquisitions for the LaSalle Street Sidewalk Project (anticipated assignment Summer, 2017)
- Complete acquisitions for the Raynor Avenue Sidewalk Project (anticipated assignment Summer, 2017)
- Complete acquisitions for the Missile Street Widening Project (anticipated assignment Summer, 2017)
- Complete acquisitions for the Roxboro Road Sidewalk Project (anticipated assignment Summer, 2017)
- Complete acquisitions for the Horton Road Sidewalk Project (anticipated assignment Summer, 2017)
- Complete acquisitions for the Carpenter Fletcher Sidewalk Project (anticipated assignment Fall, 2017)
- Complete acquisitions for the Cornwallis Road Sidewalk Project (anticipated assignment Fall, 2017)
- Complete acquisitions for the Hillandale Road Sidewalk Project (anticipated assignment Fall, 2017)
- Complete acquisitions for the Morreene Road Sidewalk Project (anticipated assignment Fall, 2017)
- Complete acquisitions for the Cook Road Sidewalk Project (anticipated assignment Fall, 2017)
- Complete acquisitions for the Alston-Campus Sidewalk Project (anticipated assignment Fall, 2017)
- Complete acquisitions for the Pickett Road Sidewalk Project (anticipated assignment Fall, 2017)
- Complete Lease transactions for Police Substations (Winter, 2018)
- Complete acquisitions for the Valley Springs Sewer installation Project (projected June, 2017)
- Complete acquisitions for the Turnage Heights Lift Station project (projected March, 2017)
- Complete acquisitions for the Southeast Regional Lift Station Project (projected June, 2017)
- Complete acquisitions for the NC 55 - Riddle to Cecil Widening Project (projected March, 2017)
- Complete acquisitions for the NC751-54 Sidewalk Project (projected April, 2017)
- Complete acquisitions for the Fayetteville-Buxton-Riddle/Fayetteville Road Widening Project (proj June, 2017)
- Complete property exchange with Durham Public Schools at Lucas Middle School (projected June, 2017)
- Complete acquisitions for the Aiken Sanitary Sewer Project (projected June, 2017)
- Complete Lease transaction with State of North Carolina for the Mountains-to-Sea Trail (proj March, 2017)
- Complete acquisitions for the Fire Station 17 Sanitary Sewer easements
- Complete acquisition of property from McDonalds at Miami Boulevard (projected April, 2017)

# Parks and Recreation

(121 FTEs)



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## PARKS AND RECREATION

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### Purpose Statement:

*Play More:* Connecting our whole community to wellness, the outdoors and lifelong learning.

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### DEPARTMENT DESCRIPTION

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#### Parks and Recreation

**\$13,543,890**  
**121 FTEs**

#### Operational Services

Operational Services provides support to staff and their programs, coordinates the department's budget, and develops and implements policies and standard operating procedures. It provides oversight to personnel management and is responsible for the department's Strategic Plan, planning, research and implementation of best practices, recreation software management, accreditation, marketing and public relations, special events, grants, sponsorships, facility agreements and rentals, data management, center computer labs and outreach programs.

#### Administration

This unit is responsible for providing professional management that is accountable, efficient and transparent. The unit provides the support and executive leadership to all full time and seasonal/part-time staff and programs. Staff members execute the department's work plan in accordance with the Master Plan, the City's Strategic Plan, and the department's Strategic Plan.

#### Budget, Finance & Marketing

This unit develops, coordinates, and provides oversight to the departmental budget. Staff manages accounts payables, receivables, purchasing functions, and management of grants and discount/waiver programs (Sliding Fee Scale, Facility Fee Waivers). This unit is also responsible for the marketing and public relations functions for the department. Staff are responsible for department branding, all media relations, the DPR website, print materials including the "Play More" program guide, flyers and brochures, *DPRInfo* email, public service announcements, social media, promotional items and exhibit equipment, and marketing campaigns for special programs and events.

#### Personnel

This unit provides the timekeeping function for the department's full-time and part-time staff. Staff assist Human Resources in the screening and referral of seasonal applications, provide policy interpretation and assistance to staff, manage leave and attendance records, personnel requisitions, personnel actions, and ensure personnel are paid in a timely manner. The unit manages the department's background check requirements for employees, volunteers, and contractors and ensures departmental compliance with City, State, and Federal guidelines (e.g. 1,000 hour employee benefits, retirement benefits, FLSA, etc.) The unit also coordinates benefits and training for departmental employees.

#### Technology and Data Management

Technology management, data control and computer lab management are the primary functions of this unit. Staff researches, recommends, implements, and manages technology hardware and software applications. This unit is responsible for providing development and management of program evaluations. Staff plays a critical role in the ongoing management of the department's recreation software. The unit serves as liaison to the Technology Solutions department, provides software training, and manages the department's technology inventory. In addition, staff are responsible for providing networking, hardware, and software management of the computer labs within the recreation centers.

#### Operations, Playground Safety, and Facility Reservations

This unit provides oversight of many of the key day-to-day operational functions within the department. Staff provides leadership and management of the department's CAPRA (Commission for the Accreditation of Parks and Recreation Agencies) accreditation status and ongoing compliance. Staff also oversees the research, development, implementation and maintenance of departmental policies, standard operating procedures, and manuals. This unit provides reception at the Administrative Services office, and is responsible for reservations and facility management of rental facilities including the historic Armory in downtown Durham, Spruce Pine Lodge

at Lake Michie, Forest Hills Neighborhood Clubhouse, McCown-Mangum House at West Point on the Eno Park, picnic shelters, outdoor plazas, and campsites, allowing for a variety of community events. Other operations managed by this work unit include Volunteer Management, Canine Recreation, Adopt-a-Park/Adopt-a-Trail program, and Safety programs (e.g. liaisons to Risk Management regarding employee and participant accidents, manages inspections, safety equipment and supplies, etc.).

#### Park Planning

Park planning includes a wide range of planning management for existing facilities, including 69 parks, covering almost 3,000 acres, the surrounding park area for the City's ten recreation centers, and 30 miles of greenway trails. It also provides planning for several major regional facilities including the Armory, Spruce Pine Lodge, West Point on the Eno, Little River Lake and Lake Michie. Staff in this unit also directs the department's land acquisition, public meetings, development review, and liaison with General Services' project management division. This unit is also responsible for ongoing park planning, including master planning, cultural/historical planning and natural resource planning.

### **Recreation Programs and Events**

#### Teen Programs

Teen Programs provide safe and healthy opportunities that connect teens to experiences that inspire hope and prepares them to choose positive options through lifelong learning.

#### Outdoor Recreation and City Lakes

This unit conducts outdoor adventure programs and trips, and environmental education classes. Staff interact with other community agencies to develop a wide array of outdoor activities for youth and teens throughout the community. The unit operates a Low Ropes Challenge Course at Spruce Pine Lodge and a High Ropes Discovery Course at Bethesda Park, where participants focus on experiential learning. This unit makes a concerted, strategic effort to introduce young people into positive and satisfying activities that encourage their personal growth and help them meet challenges. Lake Michie and Little River Lake offer outdoor activities such as boating, fishing, hiking, camping and picnicking.

#### Aquatics Programs

The Aquatics unit is responsible for the operation of five city aquatic facilities, including indoor aquatic centers (Campus Hills Pool and Edison Johnson Aquatic Center) and seasonal outdoor pools (Forest Hills Pool, Long Meadow Pool, and Hillside Pool). This unit offers both structured and unstructured aquatic activities such as swim lessons, fitness programs, recreational swim and lap swim, and safety trainings. The aquatics unit is also responsible for aquatic facility rentals. The goal is to provide aquatic programs in sufficient quality and diversity that appeal to all of Durham's residents.

#### Athletics

Athletic activities are offered for participants of all ages, beginning at age three. Athletic leagues and tournaments are offered in a variety of sports, including basketball, softball, tennis, flag football, pickleball, soccer and volleyball. The unit also works cooperatively with local athletic associations and leagues to offer an even wider range of active sports. The unit manages athletic fields (baseball, softball, soccer, multipurpose) and courts (tennis, basketball) for the department.

#### Events and Outreach

This unit is responsible for planning and executing special events for the Durham community including Earth Day, Bimbé Cultural Arts Festival, the "Rock the Park" series providing movies and concerts within City parks, Latino Festival, Holiday Fun Fest, and the Senior Holiday Party. Staff also assists with the coordination of Durham Senior Games, and the July 4<sup>th</sup> Celebration. Outreach programs offer structured opportunities and classes at central locations to residents who have interests in a particular area. Outreach Coordinators assist the department in developing and marketing outreach programs specifically to the Latino community. Staff coordinates the collaborative efforts of the department to reach out to community agencies, developing partnerships for a more efficient use of available resources.

#### Heritage Parks/Cultural Programs

The City has several National Register Historic sites in its park portfolio, including West Point on the Eno Park, which offers passive recreational opportunities (hiking, fishing, picnicking), tours of the functioning mill and the McCown Mangum House, a facility that may be rented for private events; and Leigh Farm Park, which re-opened in 2014 and has a historic nineteenth century farmhouse and outbuildings and extensive natural areas.

### Recreation Centers

This unit includes the operations of the Edison Johnson, Walltown Park, W. D. Hill, Weaver Street and the Irwin R. Holmes, Sr. at Campus Hills Recreation Centers. It also includes the operation of department offerings at the Community Family Life and Recreation Center at Lyon Park and provides recreation programs at the Holton Career and Resource Center. Also cultural programs are coordinated for families, including Kwanzaa, Black History Month, and the Martin Luther King, Jr. celebration. These centers also offer a wide variety of additional enrichment opportunities through fitness, performing arts, technology, and martial arts. Partnership programs, providing safe, structured recreational and educational activities are offered at the East Durham and W. I. Patterson Recreation Centers.

### Special Programs and Mature Adults Programs

This unit provides recreational programs for adults and children with developmental and physical disabilities. The specialized programs include instructional, leisure, athletic and recreational activities. Special Olympic programs, programs for visually impaired participants, and outings are also offered. In addition to offering specialized programs, this unit facilitates oversight of inclusion by making accommodations within all other recreation programs. This unit is also responsible for coordinating programs for Mature Adults (55 and up), such as socials, trips, fitness, and the annual Durham Senior Games events.

### Care Programs

After School programs for youth ages 5-12 are provided at the Walltown Park Recreation Center, Edison Johnson Recreation Center, I. R. Holmes, Sr. Recreation Center at Campus Hills, W. D. Hill Recreation Center, and for ages 6-12 at the Holton Career and Resource Center. Also, After School programs are provided for adults and children with developmental and physical disabilities. "Explore" After School, for ages 13-21, provides an alternative to inclusion and promotes development of participants' life skills. Discover After School, for ages 5-21 offers opportunities to utilize existing skills or develop new ones. Typical after school activities are offered, including arts and crafts, sports, games and educational activities.

A variety of Summer Camp opportunities are provided for youth ages 5-12 at the Walltown Park Recreation Center, Edison Johnson Recreation Center, I. R. Holmes, Sr. Recreation Center at Campus Hills, Community Family Life and Recreation Center at Lyon Park, Weaver Street Recreation Center, West Point on the Eno, W. D. Hill Recreation Center, W. I. Patterson Center, and East Durham Center and for ages 6-12 at the Holton Career and Resource Center. Teen Summer Camp programs for ages 13-17 are provided at Walltown Park Recreation Center, Forest Hills Park, and the Holton Career and Resource Center. DPR also provides a one-week "Volunteers in Training Camp". "Explore" Summer Camp, for ages 13-21, provides an alternative to inclusion and promotes development of participants' life skills. "Camp Journey", for ages 6-9, is an exciting summer camp serving children with disabilities who need a special environment in which to learn and grow.

Intersession camps are provided during "out of school" time for year-round students for three periods, three weeks each, during the year for a total of nine weeks of programming. Programs are offered 7:30 am – 6:00 pm daily for the fall, winter and spring sessions.

Fun Days are offered 7:30 am – 6:00 pm at various Recreation Centers throughout the year during planned public school closures. Activities including sports, games, arts and crafts, dance, etc. are provided.

### **Park Maintenance**

#### Park Maintenance

The maintenance unit is responsible for mowing and maintaining athletic fields, parks, park and trail cleanup, inspections and minor repairs of parks, and special event set-up and support. Staff members implement and provide ongoing support of the department's maintenance management system with operational standards as adopted as part of DPR's accreditation process.



### Custodial Services – Recreation Centers

To provide aesthetically pleasing recreation facilities for public use providing regular and frequently scheduled service and monitoring of DPR (large) Recreation Centers to meet the needs of user groups, to support existing and new programs, and to reduce liability risks throughout the system. These services are provided at the following facilities: Edison Johnson Recreation Center, Edison Johnson Aquatic Center, W. D. Hill Recreation Center, Weaver Street Recreation Center, Irwin R. Holmes, Sr. Recreation Center, and the Walltown Park Recreation Center.

RESOURCE ALLOCATION					
	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 8,441,632	\$ 9,644,323	\$ 9,221,363	\$ 10,186,628	5.6%
Operating	2,319,386	2,594,231	2,860,420	2,690,220	3.7%
Capital and Other	276,902	710,095	2,704,462	667,042	-6.1%
Total Appropriations	\$ 11,037,920	\$ 12,948,649	\$ 14,786,245	\$ 13,543,890	4.6%
Full Time Equivalents	110	116	116	121	5
Part Time	82	82	82	78	-4
Revenues					
Discretionary	\$ 9,857,351	\$ 11,717,449	\$ 13,592,369	\$ 12,360,580	5.5%
Program	1,180,569	1,231,200	1,193,876	1,183,310	-3.9%
Total Revenues	\$ 11,037,920	\$ 12,948,649	\$ 14,786,245	\$ 13,543,890	4.6%

### DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

**Program:** Operational Services

**General Fund:** \$2,232,375

**FTEs:** 16

Administration	\$1,109,081, 5 FTEs
Budget, Finance, & Marketing	\$470,161, 5 FTEs
Personnel	\$125,940, 2 FTEs
Technology and Data Management	\$256,349, 2 FTEs
Park Planning	\$270,844, 2 FTEs

**Goal:** Thriving and Livable Neighborhoods; Innovative & High Performing Organization

**Objective:** To provide responsive and accessible recreation programs by increasing connectivity of programs and facilities with customers and partners. To provide professional management that is accountable, efficient, and transparent.

**Initiative:** Maintain quality staff at sufficient levels needed to ensure programming in response to citizen demand. Review and update DPR's compliance documentation for the Commission for Accreditation of Parks and Recreation Agencies (CAPRA). Application of a consistent fee philosophy. Increase the collection and use of data and best practices to achieve operational excellence in core programs (i.e. evaluation tools, citizen satisfaction survey, etc.).

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Compliant with CAPRA standards	100%	100%	100%	100%
# of Participants receiving a discounted fee (through Program Fee Waiver or Sliding Fee Scale Program)	1,316	1,350	1,325	1,350
Value of program fee waivers and Sliding Fee Scale discounts provided	\$485,000	\$550,000	\$515,000	\$550,000
# of Rentals (Organizations events, programs, meetings) receiving a discounted rental fee (through DPR's Facility and Field Fee Waiver Program)	68	100	100	100
Value of discounts provided to Organizations through DPR's Facility and Field Fee Waiver Program	\$115,943	\$100,000	\$108,000	\$100,000

Notes: The Sliding Fee Scale (SFS) provides for reduced fees for After School, Summer Camps, Intersession, and Fun Day programs). The scale is based on NC Health and Human Services poverty guidelines and is based on household income and #'s of persons residing in the household. Discounts are offered through this program that allows participants to pay 10%, 40%, or 70% of the total registration fee. Those in extreme hardship are granted a 100% waiver and attend the program at no cost. The Program Fee Waiver is available for the majority of all other registration based programs (not addressed under the SFS program). Under this program a 100% fee waiver available to participants if they are unable to pay. Verification is obtained through the Department of Social Services.

**Program:** Operations, Playground Safety, & Facility Reservations

**General Fund:** \$566,876

**FTEs:** 4

**Goal:** Thriving and Livable Neighborhoods, Stewardship of City's Physical Assets

**Objective:** To provide opportunities for our community to utilize recreation facilities to host events, increase the number of picnic shelter rentals and improve the quality of customer service received by users of DPR's rental operations.

**Initiative:** Improve marketing efforts to educate the public about available facilities and improve maintenance in parks.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# of Picnic shelter rentals	620	525	625	600

# of Rentals at rental facilities  
(Armory, Spruce Pine Lodge,  
Forest Hills, and McCown-  
Mangum House)

322

350

350

350

Notes: Rental facilities include: Armory, Spruce Pine Lodge, Forest Hills, and McCown-Mangum House.

**Objective:** To provide aesthetically pleasing and safe playgrounds for public use and increase customer satisfactions and safety on DPR playgrounds.

**Initiative:** Development and Implementation of adopted service standards in accordance with national industry standards for public playgrounds. Provide routine inspection against these established standards and address deficiencies as necessary and as resources allow. Staff maintains CPSI (Certified Playground Safety Inspector) certification.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# of Inspections of playgrounds per year (57 playgrounds @ 3 times each)	172	171	171	171
% of Playgrounds in compliance with minimum safety surfacing requirements	100%	95%	100%	95%

**Program:** Recreation Program and Events

**General Fund:** \$7,229,152

**FTEs:** 60

Teen Programs	\$234,703, 1 FTEs
Outdoor Recreation	\$340,134, 4 FTEs
Aquatics	\$1,022,049, 8 FTEs
Athletics	\$749,147, 6 FTEs
Events and Outreach	\$568,161, 3 FTEs
Heritage Parks	\$231,491, 2 FTEs
Recreation Centers: East Durham, WI Patterson, TA Grady, Walltown Park Recreation Center, IR Holmes, Sr. Recreation Center at Campus Hills, Edison Johnson Recreation Center, Community Family Life and Recreation Center at Lyon Park, Holton Career and Resource Center, and Weaver Street Recreation Center	\$2,583,121, 25 FTEs
Special Programs/Mature Adults	\$608,640, 7 FTEs
Care Programs (After School, Summer Camps and Intersession)	\$891,706, 4 FTEs

**Goal:** Thriving and Livable Neighborhoods

**Objective:** To provide responsive and accessible recreation programs, increasing the number of participants who actively participate in activities/courses and events offered by DPR, through a wide variety of quality, specialized program areas as indicated in the program unit list provided.

**Initiative:** Implement the Recreation Program Plan (that aligns with the adopted Master Plan and Department's Strategic Plan). Update and support the departments marketing and communications plan to reach a range of audiences. Campaign to educate the public about programs offered by DPR and of fee programs that help those that cannot afford the full program fee. Continue pilot program at Holton Career and Resource Center for "no cost" programming (excluding rentals, Care Programs, and Leagues). Address other possible barriers to participation (i.e. marketing, transportation, etc.) Increase feedback opportunities (through surveys at conclusion of each program, through community meetings, etc.) that allow for DPR to collect data pertaining to the interest of the community (what programs are in demand) and to determine successes and areas that require attention. Ensure staff is knowledgeable about provision of quality programming and remain up to date on current programming trends.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# of Recreational opportunities offered	2,013	2,000	2,020	2,000
# of Individual participants served (registered programs and leagues)	43,851	30,000	38,000	30,000
# of Special events offered	43	40	43	40
% of Registered Course opportunities offered that met minimum registration requirements	76%	80%	78%	80%
% of Activities/courses exceeding maximum # of registrations allowed (participants waitlisted)	14.7%	11.0%	24.0%	11.0%
% of Participants (responding to evaluation surveys) rating programs attended as having "met" or "exceeded expectations"	89%	90%	90%	90%
% of Participants (responding to evaluation surveys) rating events attended as having "met" or "exceeded expectations"	87%	90%	90%	90%

**Program:** Park Maintenance

**General Fund:** \$2,958,068

**FTEs:** 31

**Goal:** Thriving and Livable Neighborhoods; Stewardship of the City's Physical Assets

**Objective:** To provide aesthetically pleasing and safe parks {and recreation facilities} for public use providing regular and frequently scheduled service and monitoring of DPR facilities to meet the needs of user groups, to support existing and new programs, and to reduce liability risks throughout the system.

**Initiative:** Implement and provide ongoing support of the department's maintenance management system with operational standards as adopted as part of DPR's accreditation process. In the adopted Maintenance and Operations Plan, parks are assigned a level of service based upon usage from high to low (green, blue, and orange levels). Continue to expand usage of City Works, a work order tracking system, that was implemented in FY17. This software will allow easier access to data from our Maintenance Operations and with analysis, for more efficiencies.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of Parks that are mowed in adherence with adopted standards as part of the DPR Operations and Management Plan	75%	80%	78%	80%
% of Participants (responding to evaluation surveys) that rate condition of City parks and/or ball fields as having "met" or "exceeded expectations" (DPR survey targeting "booked" users)	82%	90%	85%	90%

**Program:** Custodial Services - Recreation Centers

**General Fund: \$557,419**

**FTEs: 10**

**Goal:** Stewardship of the City's Physical Assets

**Objective:** To provide aesthetically pleasing recreation facilities for public use providing regular and frequently scheduled service and monitoring of DPR (large) Recreation Centers to meet the needs of user groups, to support existing and new programs, and to reduce liability risks throughout the system.

**Initiative:** Development and Implementation of adopted service standards in accordance with national industry standards for recreation facilities. Provide routine inspection against the established standards and address deficiencies as necessary.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of Participants (responding to evaluation surveys) rating cleanliness of facility as having "met" or "exceeded" expectations	96%	95%	95%	95%

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#### **BUDGET ISSUES FOR FY 2017-18**

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- Achieving desired maintenance standards within existing resources for athletic fields, park cleanup, and custodial services in recreation centers to address priorities identified in the resident satisfaction survey.
- Dealing with aging recreation facilities and the continuing effects of deferred maintenance on those facilities.
- Ensuring all programs and facilities are as accessible as possible for all Durham residents.
- Maintain the department's national accreditation status by adhering to CAPRA (Commission for Accreditation of Parks and Recreation Agencies) standards. DPR will be submitting request for re-accreditation for 2018, per the 5-year renewal.

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## ACCOMPLISHMENTS FY 2016-17

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- As part of the efforts to increase connectivity of programs and facilities with customers and partners, DPR maintained the agreement with the Achievement Academy for their usage of the W. I. Patterson Recreation Center. The agreement with East Durham Children's Initiative for their usage of the East Durham Recreation Center, the Durham Housing Authority lease for their usage of the T. A. Grady Recreation Center, and the Bicycle Coop for their usage of Duke Park buildings continued for the year.
- Completed the upgrade of the department's recreation software solution system from CLASS to Active.Net. These software systems provide for the automation of program and league registrations, facility booking, pass sales, etc. This update allows DPR to offer online registration for no cost programs and for fee-based programs with no additional third party credit card fees.
- KaBOOM!, a national non-profit dedicated to bringing play back into children's lives, honored Durham, as a Playful City USA for the eighth straight year.
- A new playground and park amenities were installed by community and staff working with a grant from KaBOOM! Foundation at Crest Street Park.
- "Hardening" and renovation of park bathrooms including Wrightwood Park, Southern Boundaries Park, and Whippoorwill Park.
- The Durham Parks Foundation, an independent non-profit organization to advocate and collect funding for parks, programs, special events, trails, and open space, presents their first annual report to City Council.
- Implemented Freeance Mobile, a mobile application that allows management of work orders in the field, that links to Cityworks, the City's enterprise asset management system.
- Implemented KRONOS, a workforce management solution for automation of timekeeping allowing for the achievement of desired consistencies and efficiencies, minimization of compliance risks, and control of labor costs.
- Analyze impact of a pilot program, offering "free" program opportunities at the Holton Career and Resource Center in an effort to increase participation in the Center by the community and remove any perceived barrier relating to fees prohibiting access to programs. (Program excludes rentals, Care Programs, and athletic leagues.)
- Developed a Trails Action Group (TAG) comprised of representatives from all City departments that have responsibilities regarding trails. This allows for efficiencies in project management, funding, and management of the City's trail system.
- Completed a Trails Condition Assessment initiative of our 30+ miles of existing trails. This project will help the department to prioritize maintenance issues for all trails, including solid costs, potential issues, and time frame for implementation.
- Through the NRPA Parks Builds Community grant Hillside Park received several improvements, including refurbished Sport Court tile on the roller rink, repairs and improvements to the shelter, additional seating, lighting, and landscaping. This work has given new life to this once-popular venue.

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## ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18

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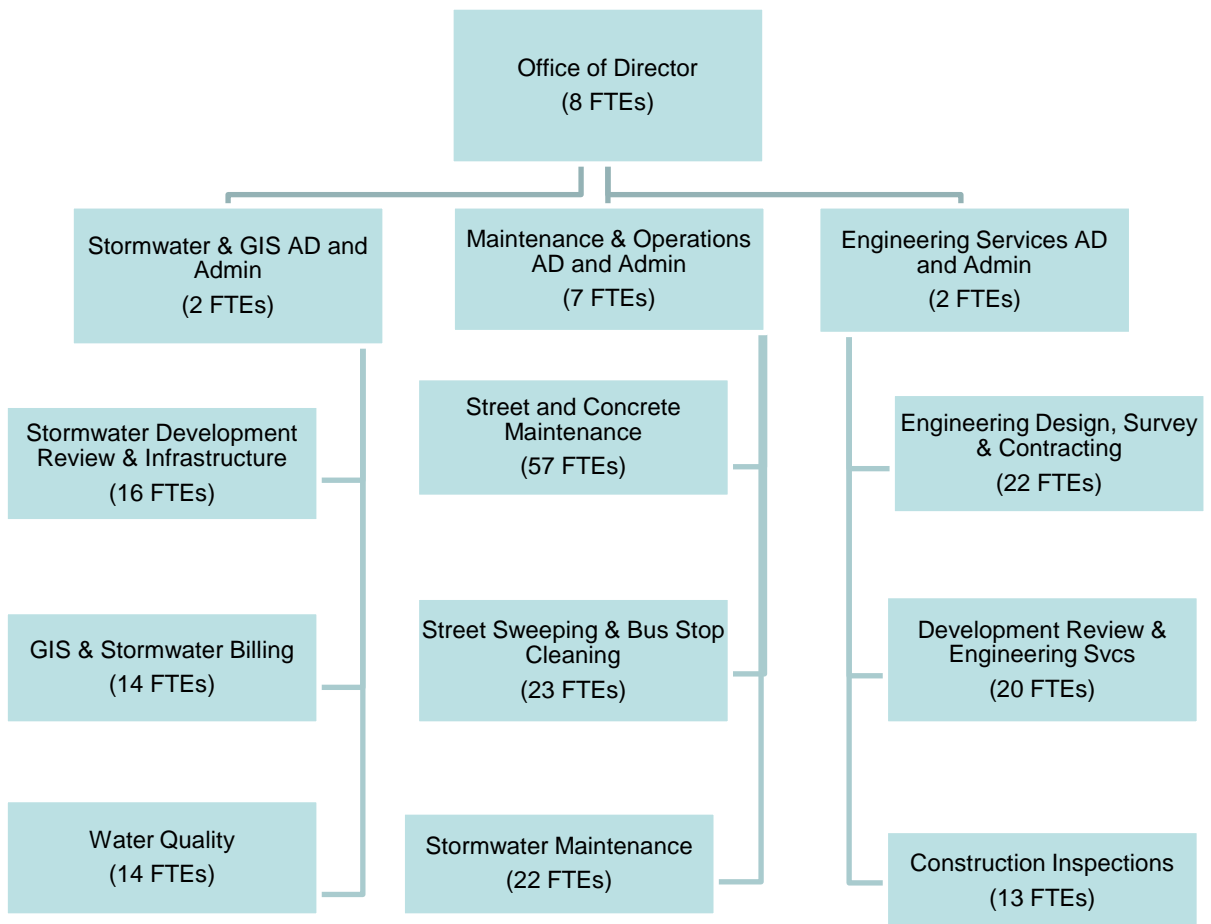
- Increase connectivity of programs and facilities with customers and partners. Continue collaboration with community partners and prioritize relationships with similar agencies toward common community goals.
- Reallocate resources from programs not meeting minimum registration requirements to support offering new and trendy programs and services identified through public input in the development of the Master Plan.
- Enhance and expand marketing efforts to increase participation.
- Diversify offerings to include activities in parks that are designed to strengthen communities.
- Continue efforts with ½ Penny funding to pave park driveways, "harden"/renovate park bathrooms; and repair fencing in parks.
- Expand teen programming based on the DPR Recreation Program Plan in an effort to provide positive alternatives for out of school time.
- DPR will continue targeted programming efforts identified in the Master Plan and in our departmental Strategic Plan, and Recreation Program Plan.
- DPR has accepted the invitation to participate in year three of the NRPA's Meet Me At the Park Initiative! (formerly Parks Build Community). We will receive a \$20,000 grant for physical park improvement

project at one of three parks. The potential projects are at Morreene Road Park, Walltown Park, and C. R. Wood Park. The community will vote to select their favorite project; to be completed between May and August.



# Public Works

(220 FTEs)





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## **PUBLIC WORKS**

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### **Purpose Statement:**

To operate, maintain and improve the City's street and utility infrastructure and programs in a manner that cost effectively enhances the community's livability.

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### **DEPARTMENT DESCRIPTION**

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#### **Public Works Department**

**General Fund: \$10,309,571**  
**Water and Sewer Fund: \$3,585,684**  
**Stormwater Fund: \$8,864,905**  
**217 FTEs**

#### **Engineering Survey, Design and Contracting**

This program provides full scale engineering services to all Public Works Divisions as well as other City of Durham Departments. Services provided include field surveys, utility location, engineering design, acquisition of permits, contract management, project management, project consulting, and public hearings on proposed projects. The projects include streetscapes, pavement preservation, new street construction, existing street reconstruction, water and sewer extensions, new sidewalks, sidewalk repair and traffic calming.

#### **Paved, Dirt Street and Sidewalk Maintenance**

This program has responsibility for public roadway maintenance, street repaving, alley maintenance and sidewalk maintenance within the City. This program completes water and sewer utility cut repairs within the City. Street Maintenance also plans and executes the City's winter weather plan and assists other departments in debris removal operations from natural disasters.

#### **Stormwater Quality**

The Stormwater Quality Program management manages projects to improve surface waters through compliance with a National Pollutant Discharge Elimination System (NPDES) permit, Neuse River Nutrient Sensitive Waters Management Strategy, Jordan Lake Rules, Falls Lake Rules, and Water Supply Watershed Protection Rules. Program implementation is monitored and reported to regulatory agencies. The program provides industrial inspections and enforcement, municipal inspections and education, chemical, biological and hydrologic monitoring, and public education. The program detects, investigates and eliminates unauthorized connections and illegal discharges. The program also reviews and comments on proposed stormwater control measures (SCM's), water quality legislation, federal/state rule development, development of ordinances and implementation plans for federal and state rules. In addition, this program supports the development of watershed plans and implementation of those plans; and evaluates the compliance of public and private SCM's, coordinates stream restoration activities, and implements water quality projects.

#### **Stormwater Infrastructure Maintenance, Street and Bus Stop Cleaning**

The program maintains the stormwater drainage system within the City's Right-of-way (ROW). Other services include catch basin maintenance and repair, mechanical sweeping, carcass removal from City streets and vet hospitals, and litter removal from ditches, sidewalks, downtown areas and other public street ROW. This program also provides support during severe winter weather events by assisting with snow removal operations and roadway pretreatment operations. Bus Stop Cleaning provides general cleaning services and trash collection for all city bus shelters.

#### **Engineering Inspections**

This program provides inspections services for street construction and rehabilitation, water, sewer and stormwater infrastructure that is built by private developers, through City contracts, or through NCDOT contracts. The Inspections Group provides front-line assurance through every stage of the construction process that new installations are in accordance with all applicable local and state construction standards. They further assure a sustainable and reliable infrastructure by reviewing as-built infrastructure drawings and digital submittals for construction projects, and review and track surety bonds and other financial instruments posted by the development community in conjunction with obtaining plat approval for the projects.

## **Stormwater Infrastructure and Development Review**

The Stormwater Infrastructure group is responsible for non-routine repair and improvement of stormwater infrastructure, drainage and floodplain customer response, and floodplain management services. The Drainage Projects Unit (DPU) provides for the evaluation, design, contracting, and project/construction management for stormwater infrastructure projects involving City Right-of-way (ROW), City owned property, and private drainage assistance. The Drainage and Floodplain Unit (DFU) investigates and responds to customer inquiries regarding private drainage/flooding issues and floodplain information requests, provides technical support for the National Flood Insurance Program (NFIP), coordinates flood mitigation grant submittals, and processes private drainage assistance requests.

Stormwater Development Review ensures new development is in compliance with applicable federal, state, and local stormwater regulations. This is achieved by reviewing development plans (zoning, site plans, preliminary plats, construction drawings, and final plats), stormwater impact analyses and engineering calculations. It also includes ensuring proposed structural stormwater BMPs proposed are properly constructed through construction oversight, an as-built plan/certification program, and by obtaining proper construction securities. Additionally, Stormwater Development Review ensures post-development stormwater compliance through education and the BMP Maintenance Certifier program, which includes annual inspection reports for BMPs, inspections, and enforcement.

## **GIS & Billing**

The GIS & Stormwater Billing program maintains GIS mapping data for the City which includes data on street centerlines, sidewalks, the stormwater system, and the water and sewer collection and distribution system. This data set is utilized by the Emergency Communications, water and sewer maintenance personnel, stormwater maintenance personnel, engineers, planners, developers, and citizens. In addition, this program is responsible for all aspects of billing for the stormwater utility, including customer service inquiries, bill verification and adjustments, new fee implementation, mapping of stormwater impervious areas within the City limits for purposes of stormwater bill calculation, and the acquisition of satellite imagery and impervious area extraction for quality control purposes. The program supports and maintains the Azteca Cityworks software which is utilized City-wide to track incoming service requests; along with labor, equipment, and material costs associated with work done by Public Works staff and various City departments.

## **Engineering Development Review**

Development Review provides a centralized location for the most common public works customer needs, from new commercial and residential development, to customer questions and concerns about water and sewer service, infrastructure petitions, and assessments. This program provides a location for the receipt, tracking, distribution, and pickup of Public Works permits, inspection requests, as well as payment of all Public Works fees and construction securities. Such permits include water, sewer, storm and street authorizations to construct, and permits for public and private projects. Additional services include the review of development plans in coordination with other City, county and state departments and agencies.

## **Office of the Director**

The Office of the Director provides administrative, financial and technical planning as well as leadership support for all programs in the department. This office maintains, analyzes and reports on performance measures and other data for the department. This office also provides policy direction, financial monitoring, safety management and human resource leadership for the department.

## RESOURCE ALLOCATION

	Actual FY 2014-15	Adopted FY 2015-16	Estimated FY 2015-16	Adopted FY 2016-17	Change
Appropriations					
Personal Services	\$13,053,955	\$14,262,325	\$14,026,466	\$15,674,279	9.9%
Operating	3,575,234	4,237,649	5,360,004	7,035,881	66.0%
Capital and Other	875,910	9,200	9,704	50,000	443.5%
Transfers	-	-	-	-	0.0%
Total Appropriations	\$17,505,099	\$18,509,174	\$19,396,174	\$22,760,160	23.0%
Full Time Equivalents	213	213	213	217	4
Part Time	1	1	1	1	-
Revenues					
Discretionary	\$ 5,982,594	\$ 6,492,310	\$ 6,568,760	\$ 8,616,153	32.7%
Program	985,344	606,000	1,342,000	1,693,418	179.4%
Total General Fund	\$ 6,967,938	\$ 7,098,310	\$ 7,910,760	\$10,309,571	45.2%
Water and Sewer Fund	3,162,117	3,285,757	3,410,904	3,585,684	9.1%
Stormwater Fund	7,375,044	8,125,107	8,074,510	8,864,905	9.1%
Total Revenues	\$17,505,099	\$18,509,174	\$19,396,174	\$22,760,160	23.0%
Total Budget	\$18,848,022	\$18,509,174	\$19,396,174	\$22,760,160	23.0%

## DEPARTMENT PROGRAMS & PERFORMANCE MEASURES

**Program:** Engineering Survey, Design and Contracting      **General Fund:** \$2,654,182  
**Water & Sewer Fund:** \$1,349,831  
**FTEs:** 22

**Goal:** Stewardship of the City's Physical Assets and Safe and Secure Community

**Objective:** To ensure that streets are repaved efficiently and effectively and other data is collected in support of a safe and secure community.

**Initiative:** Maintain City infrastructure through the efficient use of contractors.

	Actual FY15	Adopted FY16	Estimated FY 16	Adopted FY 17
<b>Measures:</b>				
Street repaving lane mile contracted cost	\$98,300	\$100,000	\$245,000	\$200,000
Linear feet of new sidewalk constructed	1635	7,000	800	6,195
New sidewalk construction cost per linear foot	\$229	\$200	\$190	\$200

**Program:** Paved, Dirt Street and Sidewalk Maintenance      **General Fund:** \$6,114,411  
**FTEs:** 65

**Goal:** Stewardship of the City's Physical Assets

**Objective:** To ensure streets are safe for travel and well maintained.

**Initiative:** Provide timely and efficient repair of City infrastructure.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Adopted</b>
<b>Measures:</b>	<b>FY15</b>	<b>FY16</b>	<b>FY 16</b>	<b>FY 17</b>
# of potholes repaired	2,396	2,100	1,600	1,600
Average cost per pothole	\$60	\$75	\$80	\$75
% of potholes repaired within 3 business days	62%	90%	60%	90%
Linear feet of sidewalk repaired	8,372	7,000	3,300	5,000
Average cost per linear foot for sidewalk repaired	\$16	\$40	\$25	\$40

**Program:** Stormwater Infrastructure and Development Review

**Stormwater Fund:** \$1,949,379  
**FTEs:** 14

**Goal:** Stewardship of City's Physical Assets  
To protect and restore the drainage system, preserve and maintain floodplain function, and provide technical

**Objective:** reviews and assistance with drainage and floodplain issues.

**Initiative:** Provide timely technical assistance to stormwater infrastructure customers and complete stormwater infrastructure projects.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Adopted</b>
<b>Measures:</b>	<b>FY15</b>	<b>FY16</b>	<b>FY16</b>	<b>FY17</b>
% of routine drainage service requests addressed within one month	92%	90%	90%	90%
Average cost to address a routine drainage service request	221	\$240	300	\$250
% of Annual SCM Inspection reports submitted	96%	90%	94%	90%

**Program:** Stormwater Quality

**Stormwater Fund:** \$1,680,019  
**FTEs:** 15

**Goal:** Stewardship of City's Physical Assets

**Objective:** To ensure that surface water quality is in compliance with the NPDES permit.

**Initiative:** To provide timely water quality investigation, control pollution sources and follow up on violations discovered.

<b>Measures:</b>	<b>Actual FY15</b>	<b>Adopted FY16</b>	<b>Estimated FY16</b>	<b>Adopted FY17</b>
Rolling Water Quality Index	77	80	79	80
# Pollution sources controlled	168	120	120	120
# Business days needed to issue violation letter/referral	2.31	4	4	4

**Program:** Stormwater Infrastructure Maintenance, Street and Bus Stop Cleaning  
**Stormwater Fund:** \$3,982,848  
**FTEs:** 52  
**Goal:** Stewardship of the City's Physical Assets  
**Objective:** To ensure the storm drainage system is inspected and maintained per NPDES.  
**Initiative:** To provide stormwater drainage system maintenance as required by the NPDES permit.

<b>Measures:</b>	<b>Actual FY15</b>	<b>Adopted FY16</b>	<b>Estimated FY16</b>	<b>Adopted FY17</b>
Linear feet of storm drain videoed (10% required per NPDES permit)	23,477	36,800	41,353	45,000
Linear feet of storm water pipe flushed	44,871	64,000	60,000	60,000
Curb miles cleaned/swept	28,892	20,000	26,000	20,000

**Program:** GIS & Stormwater Billing  
**General Fund:** \$177,458  
**Stormwater Fund:** \$770,779  
**Water & Sewer Fund:** \$233,573  
**FTEs:** 12  
**Goal:** Innovative and High Performing Organization and Stewardship of City's Physical Assets  
**Objective:** Provide seamless service, project a positive image of the City, and manage the following GIS Layers: water, sewer, stormwater, street, sidewalk, City limits, curb ramps, emergency snow plow routes, and street sweeping routes.  
**Initiative:** Manage stormwater billing program and stormwater revenues and efficiently manage GIS updates.

<b>Measures:</b>	<b>Actual FY15</b>	<b>Adopted FY16</b>	<b>Estimated FY16</b>	<b>Adopted FY17</b>
Stormwater billing - % of stormwater adopted target revenue billed	104.00%	100.00%	100.00%	100.00%

GIS - % of digital submittals input within 20 business days of approval	90%	90%	90%	90%
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<b>Program:</b> Engineering Inspections	<b>General Fund:</b>	<b>\$441,702</b>
	<b>Water &amp; Sewer Fund:</b>	<b>\$893,726</b>
	<b>Stormwater Fund:</b>	<b>\$190,940</b>
	<b>FTEs:</b>	<b>16</b>

**Goal:** Strong and Diverse Economy

**Objective:** To ensure that City infrastructure complies with all City codes and laws.

**Initiative:** To complete accurate inspections in a timely and efficient manner.

<b>Measures:</b>	<b>Actual FY15</b>	<b>Adopted FY16</b>	<b>Estimated FY16</b>	<b>Adopted FY17</b>
Linear feet of public infrastructure inspected and accepted	527,572	3,500,000	472,000	375,000
# Private utility permits issued	1,212	1,000	1,300	1,000
Right of Way and Certificate of Occupancy completed in 48 hrs for Commercial and Residential Construction	100%	100%	100%	100%

<b>Program:</b> Engineering Development Review	<b>General Fund:</b>	<b>\$578,702</b>
	<b>Water/Sewer Fund:</b>	<b>\$893,726</b>
	<b>Stormwater Fund:</b>	<b>\$145,470</b>
	<b>FTEs:</b>	<b>16</b>

**Goal:** Strong and Diverse Economy; Thriving, Livable Neighborhoods; Innovative and High Performing Organization; Stewardship of City's Physical Assets

**Objective:** To provide timely responses for development topics: water, sanitary sewer, street, stormwater conveyances and control measures, plan approval, permitting, and all customer service activities for the Public Works Department.

**Initiative:** To monitor and track customer service and routing accuracy and timeliness.

<b>Measures:</b>	<b>Actual FY15</b>	<b>Adopted FY16</b>	<b>Estimated FY16</b>	<b>Adopted FY17</b>
Engineering Development Review: Total Number of plans/items reviewed	2,593	1,850	3,000	1,850
Engineering Development Review: Percent of plans/items reviewed on time	85%	90%	75%	90%
Engineering Development Review: Total number of Customers	21,153	18,000	22,000	18,000

**Program:** Office of the Director

**General Fund:** \$343,116  
**Water & Sewer Fund:** \$214,828  
**Stormwater Fund:** \$145,470  
**FTEs:** 5

**Goal:** Innovative and High Performing Organization

**Objective:** To drive operational initiatives, departmental safety and overall departmental effectiveness.

**Initiative:** Promote the satisfaction and safety of citizens and staff.

<b>Measures:</b>	<b>Actual FY15</b>	<b>Adopted FY16</b>	<b>Estimated FY16</b>	<b>Adopted FY17</b>
% of Citizens rating the condition of streets in their neighborhood as good or very good	N/A	60%	63%	60%

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#### **BUDGET ISSUES FOR FY 2016-17**

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- The department continues to refine performance measures for FY17. Measures proposed for the budget book have been further reduced and simplified to help give the public a clearer view of the department's activities and performance. Numerous internal measures have been refined to aid management in guiding both the day-to-day operations and long-term strategic direction of the department.
- Completion of the streets in various failed and/or struggling developments appear to nearing a resolution and will most likely be addressed in two (2) of the larger failed developments during the next fiscal year.
- Requests from citizens for street and sidewalk improvements continue to grow. Additional funding will be required to support these requests.

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#### **ACCOMPLISHMENTS FOR FY 2015-16**

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- Completed an inventory and assessment of the City's existing sidewalk repair needs with respect to the currently proposed national ADA/PROWAG guidelines.
- Completed two (2) stormwater control measures (SCMs) for category 4 failed developments (Windemere Ridge Townhomes & Northern Way Subdivision).
- Substantially completed construction of the Angier/Driver streetscape project in conjunction with the Office of Economic and Workforce Development.
- Completed design and began construction of the Carver Street Extension.
- Completed design of the Fayetteville/Buxton/Riddle intersection realignment.
- Resurface through contracts 4.4 lane miles of road to help increase road integrity and raise the PCI rating of each segment.
- Repair or replace 12,000 linear feet of sidewalks through the use of contracted services.
- Completed three quarterly seminars for the development community on changes to design, construction and as-built characteristics of development within the City.
- Completed the Little Lick Creek Watershed Plan.
- Begin work on Small Scale Residential Stormwater Retrofits Project.
- Completed 35 drainage repair projects within City rights-of-way, on City-owned property, or on private property.
- Completed the design of the Third Fork Creek Stream Restoration Project.
- Completed the East Main Street Culvert Stabilization Project.
- Began operation of pilot Algal Turf Scrubber project to address stormwater nutrient reduction requirements.
- Contracted with United States Geological Survey (USGS) for lower Ellerbe Creek Groundwater/Surface water interaction study
- Contracted for nutrient loading study
- Began Rain Catchers post-installation monitoring. Monitoring is expected to continue through FY2017.
- Complete monitoring of permeable pavement on clay soil as part of a joint project with NC State University.

- Issued request for bids for nutrient credits for Falls Lake Rule compliance
- Integrated mobile technology (laptops, tablets, etc.) within the Maintenance division. Stormwater Quality began testing mobile technology for investigations and inspections.
- Completed flushing of 65,000 linear feet of stormwater pipes.
- Began the development of a comprehensive safety and training program for all divisions within the department.
- Repaired and replaced 7,500 linear feet of damaged sidewalks city-wide.
- Completed repairs to three city-owned SCMs under the correction period in contract SWM 2013-01
- Continued additional enforcement measures to improve SCM maintenance and post-construction compliance
- Updated various sections and checklists in the Reference Guide for Development to reflect latest stormwater requirements and procedures
- Water Meters /Laterals/Taps: Approximately 51K meters added to the GIS from GPS results collected during AMR (Automated Meter Replacement) contracts. Approximately 42K associated taps and laterals added as well.
- Databases: New Water Quality Investigations database operational. Stormwater Outfall Screening database updates completed and operational. Fire Department Hydrant Inspections moved to CityWorks.
- All utility databases (Water/Sewer/Stormwater) rebuilt. Database replication to enterprise GIS system enabled.
- Completed Module I of Heavy Equipment Operator Assessments and Training with Gregory Poole Caterpillar
- Revised Departmental Performance Standards
- Completed Employee Satisfaction Survey
- Completed concrete parking lot repairs at Durham Station
- Completed a series of ITRE Safety Training
- Upgraded security system at Public Works Operations Center
- Made significant reductions in key expenditure accounts
- Increased production in key road maintenance categories
- Milled and Paved over 6500 tons of asphalt\Flushed over 30,000 linear feet of storm drain pipe so far in FY-15
- Videoed over 20,000 linear feet of storm drain pipe so far in FY-15
- Repaired over 6500 linear feet of concrete sidewalk so far in FY-15
- Swept over 12,500 curb miles of roadway so far in FY-15
- Excavated over 13,500 linear feet of roadside ditches so far in FY-15
- Videoed over 20,000 linear feet of storm drain pipe so far in FY-15
- Repaired over 6500 linear feet of concrete sidewalk so far in FY-15
- Swept over 12,500 curb miles of roadway so far in FY-15
- Excavated over 13,500 linear feet of roadside ditches so far in FY-15
- Installed two grassed bioretention areas at two different fire stations for NPDES permit compliance

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#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2016-17**

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- Complete 35 drainage repair projects within City rights-of-way, on City-owned property, or on private property.
- Complete the construction for the Third Fork Creek Stream Restoration Project.
- Issue an RFP for on-call stormwater professional services.
- Issue RFP for the design of the South Ellerbe Creek Wetland Project.
- Complete two major rehabilitation and repairs to City-owned stormwater control measures.
- Begin work on the Eno River watershed plan.
- Continue work on Small Scale Residential Stormwater Retrofits Project.
- Continue operation of Algal Turf Scrubber pilot project and extend operation by at least 3 months.
- ; develop a multi-year sidewalk maintenance plan that ensures compliance with currently proposed national ADA/PROWAG guidelines.
- Develop and refine a multi-year pavement preservation and rehabilitation program.
- Complete construction of a draining issue at E. Peabody Street as part of the Angier/Driver streetscape project in conjunction with the Office of Economic and Workforce Development.
- Begin construction of the Carver Street Extension.
- Begin construction of the Fayetteville/Buxton/Riddle intersection realignment.
- Resurface through contracts 2 miles of road to help increase road integrity and potentially raise the PCI rating of each segment.
- Repair or replace 12,000 linear feet of sidewalks through the use of contracted services.
- Begin development of a comprehensive asset management plan for streets, sidewalks, bridges, and stormwater infrastructure.

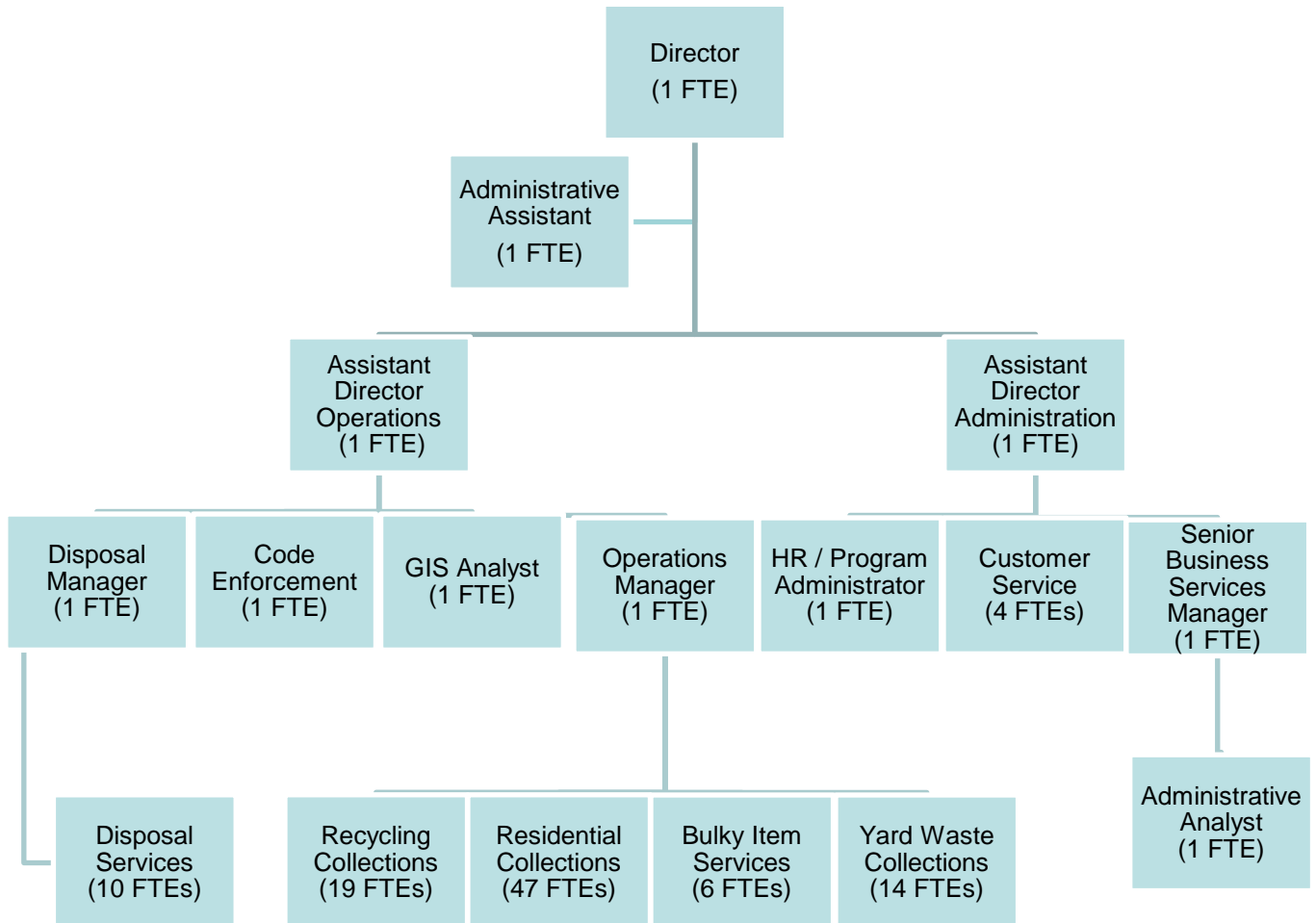


- Begin nutrient load monitoring study
- Begin lower Ellerbe Creek groundwater/surface water interaction monitoring
- Update and enhance the on-line Monitoring Data Web Portal that stores water quality monitoring data.
- Issue new chemistry laboratory support and benthic macroinvertebrate monitoring contracts.
- Begin construction/remediation of nine (9) SCMs for category 4 failed developments
- Begin rehabilitation of City owned wetland and level spreader/vegetated filter strip
- Complete 3 seminars providing professional development hours to the design and development community.
- Increase enforcement efforts with NOVs, which include monetary penalties, for non-compliant BMP owners
- Update various sections of the Reference Guide for Development to reflect latest stormwater requirements and procedures
- Continue implementation of the Public Works STEM YouthWork Internships
- Address needs of users in Engineering Services through multiple internal process improvements and database development efforts to better support their efforts.
- Placement of 10,000 tons of asphalt through routine maintenance functions
- Repair 10,000 linear feet of concrete sidewalk through routine maintenance efforts.
- Excavate over 20,000 linear feet of roadside ditches
- Sweep 20,000 curb miles of roadway
- Video 60,000 linear feet of storm drain
- Institute a paperless work order process in maintenance
- Complete Module II of the Heavy Equipment Operator Certification training program with a contracted training vendor.
- Develop and implement PW/GIS Web Map services application, SW billing customer Web application.
- Mapping of all Gravel in city limits, develop raster identification process
- Upgrade and implement CityWorks enhancements



# Solid Waste Management

(111 FTEs)



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## SOLID WASTE MANAGEMENT

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### Purpose Statement:

To provide industry leading waste collection, recycling and disposal services. We will be responsive, accountable, and dependable to the residents of Durham.

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### DEPARTMENT DESCRIPTION

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#### Solid Waste Management

**Solid Waste Fund: \$16,460,931**  
**111 FTEs**

The Department is primarily responsible for the collection and disposal of residential municipal solid waste, and bulky items. The Department also provides curbside recycling services and subscriber-based yard waste collection and processing. Staff assures that all collection and disposal activities are performed in accordance with State regulatory mandates, City Manager directive and according to City Council goals.

The Department is committed to its vision of accomplishing our mission in a safe, efficient, cost effective and environmentally sound manner; and to be a leader in the solid waste industry.

#### Administration

The Administration division provides leadership, administrative and planning support for all solid waste management programs and divisions, including management of the Department's annual budget development process. This division directly administers all aspects of customer service to Durham's citizens, which includes service request management, providing information to the public, resolving internal/external service issues and maintaining the highest level of customer satisfaction.

#### Residential Collection

The Residential Collection division collects household waste in carts that are provided by the City. The carts are placed curbside by residential customers and some small businesses on a weekly basis. Fully automated and semi-automated vehicles are used to collect these carts. The division provides exempt services to residents who are physically unable to roll their carts to the curb for collection.

#### Yard Waste Collection

The Yard Waste Collection division collects yard waste on a weekly basis from customers who subscribe to this service. This division also provides Christmas tree collection to all households within the City limits. This program is designed to divert debris from the waste stream by recycling it into reusable earth products.

#### Curbside Recycling

The Curbside Recycling division provides single stream collection of recyclable materials to residents on a bi-weekly schedule. The Recycling Division collects recyclable materials in carts that are provided by the City. The Implementation of single stream recycling supported City Council's goals and the Department's mission of providing economical and environmentally safe collections of recyclable material. The division provides exempt services to residents who are physically unable to roll their carts to the curb for collection.

#### City Facilities and Downtown Collections

This cost is associated with services provided by the SWM Department to collect solid waste from all City-owned facilities, as well as residents and businesses in the "downtown loop" area that require stationary container services.

## **Bulky Item/Bulky Brush Collection**

The Bulky Item Collection division is a weekly curbside collection service for residents who have large items, e.g. household appliances (white goods) and furniture that is too large to be collected by the residential collection division, and quantities of brush too large to be collected by yard waste crews. The Bulky Item Division also provides limb and branch debris removal from streets following severe weather incidents. Collections are provided on a fee-for-service basis.

## **Code Enforcement Services**

The Code Enforcement division responds to reported complaints to ensure compliance with solid waste management ordinances that support City Council's goals. This division interprets and enforces solid waste disposal and recycling ordinances, general statutes, and policies of the Department and the City of Durham.

## **Waste Reduction**

The Waste Reduction division provides city-wide waste reduction education activities and programs. Each year, City staff provides educational programs and activities that target various public and private schools and community groups. This division strives to promote community awareness of recycling events throughout the community. In the absence of dedicated waste reduction staff, the department provides limited reduction, reuse and recycling outreach services, based on staff availability.

## **Transfer Station**

The Transfer Station provides proper municipal solid waste (MSW) disposal services for Durham residents and visitors. The program includes oversight of the transfer station and associated contract management. This division maintains equipment assigned to the post-closure Land Clearing & Inert Debris (LCID) site. The division operates a Scale House which captures weights for all municipal solid waste disposal, recycling, and yard waste composting activities by way of its scale system. The number of customers served during the year and the weight of the waste and recyclable materials brought to either the transfer station or the yard waste facility flows through this cost center and determine payments by the City to its contractors. The Transfer Station also receives waste from commercial haulers, and Durham County and Orange County on a fee for service basis.

## **Convenience Center**

The Convenience Center, located at the Transfer Station site, provides services associated with efforts to reduce the amount of waste that goes into a landfill, which is consistent with the City's recycling goals. Major activities include: white goods and other scrap metal recycling, scrap tire recycling, e-waste recycling (computer equipment and other electronics), and an active "swap shop", where reusable items are made available to the public at no cost. Other commodities such as used motor oil, automobile batteries, and cooking grease are accepted at the Convenience Center for reprocessing and reuse.

## **Yard Waste Composting Facility**

The Yard Waste Composting Facility is permitted to receive up to 14,000 tons of yard waste material annually. Yard Waste is brought to the facility and ground into mulch and other "earth products" for reuse. This cost center captures labor, equipment, contractual services and other direct expenses associated with the operation of this facility.

## **Scrap Tire Disposal**

The Scrap Tire Disposal program provides for collection and proper disposal of tires that are delivered to the convenience center. This program enables diversion of tires from the waste stream and provides an environmentally safe disposal service for discarded tires.

## Hazardous Household Waste

The Hazardous Household Waste (HHW) program, located at the City's Transfer Station site, provides for special collection of items such as paints, solvents, household cleaners, pesticides, aerosols, and other similar waste products. These types of wastes, considered household hazardous waste, are unsafe to dispose of with regular trash and must be handled separately. The City provides for special collection of such items for citizens and residents of Durham, Orange, Wake, and Chatham Counties, on a drop-off basis, six days per week.

RESOURCE ALLOCATION					
	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 6,517,332	\$ 6,589,035	\$ 7,127,351	\$ 7,028,659	6.7%
Operating	8,320,568	8,791,350	9,457,367	9,201,577	4.7%
Capital and Other	102,736	75,130	70,168	230,695	207.1%
Transfers	-	-	-	-	0.0%
Total Appropriations	\$ 14,940,636	\$ 15,455,515	\$ 16,654,886	\$ 16,460,931	6.5%
Full Time Equivalents	109	109	109	111	2
Part Time	-	-	-	-	-
Revenues					
Discretionary	\$ 8,497,235	\$ 9,127,648	\$ 9,374,685	\$ 9,081,150	-0.5%
Program	6,443,401	6,327,867	7,280,201	7,379,781	16.6%
Solid Waste Fund	\$ 14,940,636	\$ 15,455,515	\$ 16,654,886	\$ 16,460,931	6.5%
Stormwater Fund	-	-	-	-	0.0%
Total Revenues	\$ 14,940,636	\$ 15,455,515	\$ 16,654,886	\$ 16,460,931	6.5%
DEPARTMENT PROGRAMS & PERFORMANCE MEASURES					

**Program:** Administration

**Solid Waste Fund:** \$1,282,407

**FTEs:** 12

**Goal:** Innovative and High Performing Organization

**Objective:** Achieve exceptional customer service and a culture of professional development.

**Initiative:** Continuous communication updates to the City department's website, with accurate information, assuring that information regarding changes to departmental services are easily accessible.

	Actual FY16	Adopted FY17	Estimated FY17	Proposed FY18
<b>Measures:</b>				
Avg # days to complete missed collections requests	2.67	2.50	2.40	2.30

**Program:** Residential Collection **Solid Waste Fund:** \$3,745,653  
**FTEs:** 47

**Goal:** Thriving Livable Neighborhoods

**Objective:** Deliver industry standard collection and disposal services while striving to maintain or reduce collection and disposal cost through the efficient management of resources.

**Initiative:** Increase the use of technology, best practices and training for field staff and managers.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Participating Households	71,671	72,600	73,031	74,250
Tons collected (Curbside)	51,335	51,000	51,243	54,700

**Program:** Yard Waste Collection **Solid Waste Fund:** \$1,285,945  
**FTEs:** 14

**Goal:** Thriving Livable Neighborhoods

**Objective:** Develop and implement strategies to promote environmentally sound practices (to include the diversion of reusable and recyclable products from the waste stream thus increasing the diversion rate).

**Initiative:** Provide Durham residents with an efficient program to dispose of earth products.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Yard Waste Subscribers	19,171	19,000	20,000	20,850
Tonnage collected	8,700	10,000	8,800	9,100

**Program:** Curbside Recycling **Solid Waste Fund:** \$1,786,585  
**FTEs:** 19

**Goal:** Thriving Livable Neighborhoods

**Objective:** Develop and implement strategies to promote environmentally sound practices (to include the diversion of reusable and recyclable products from the waste stream thus increasing the diversion rate).

**Initiative:** Provide Durham residents with an effective and efficient program to dispose of recyclable materials.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Participating Households	71,671	72,600	73,031	74,250
Tonnage collected	15,058	15,000	16,200	16,800

**Program:** City Facilities and Downtown Collections **Solid Waste Fund:** \$170,476  
**FTEs:** 0

**Goal:** Thriving Livable Neighborhoods

**Objective:** Continuous efficient refuse collections of all City-owned facilities and the downtown collection areas.

**Initiative:** Collection services in downtown area and City-owned facilities.

**Program:** Bulky Item Collection **Solid Waste Fund:** \$613,577  
**FTEs:** 6

**Goal:** Thriving Livable Neighborhoods

**Objective:** Continuous efficient refuse collections of all City-owned facilities and the downtown collection areas.

**Initiative:** Use of GPS technology to effectively manage timely collections, resources and personnel.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
Bulky Tonnage Removed	3,272	3,500	3,200	3,500

**Program:** Code Enforcement **Solid Waste Fund:** \$76,935  
**FTEs:** 1

**Goal:** Thriving Livable Neighborhood

**Objective:** Develop and implement strategies to promote environmentally sound practices (to include the diversion of reusable and recyclable products from the waste stream thus increasing the diversion rate).

**Initiative:** Increased code enforcement officer's presence City of Durham communities.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
% Violations corrected by citizen within 30 days of notification	98%	99%	98%	98%

**Program:** Waste Reduction **Solid Waste Fund:** \$69,352  
**FTEs:** 0

**Goal:** Thriving Livable Neighborhood

**Objective:** Develop and implement strategies to promote environmentally sound practices (to include the diversion of reusable and recyclable products from the waste stream thus increasing the diversion rate).

**Initiative:** Educate all citizens through educational forums, media outlets and planned events.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Educational events	12	15	15	15

**Program:** Transfer Station **Solid Waste Fund:** \$6,274,016  
**FTEs:** 5

**Goal:** Innovative and High Performing Organization

**Objective:** Deliver industry standard collection and disposal services while striving to maintain or reduce collection and disposal cost through the efficient management of resources.

**Initiative:** Education of public on recyclable materials and staff training on waste stream diversion.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# Small users (cars/small trucks)	27,852	22,000	28,000	28,000
#Large users (hydraulic dump trucks)	44,518	35,000	61,000	55,000
Disposal costs per ton	\$37.96	\$38.03	\$38.62	\$39.78

**Program:** Convenience Center **Solid Waste Fund:** \$345,094  
**FTEs:** 4

**Goal:** Thriving Livable Neighborhoods

**Objective:** Increase citizen's awareness and use of convenience center to dispose of recyclables.

**Initiative:** Increased outreach efforts through education and marketing.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Waste stream diverted from landfill due to convenience center	2.00%	3.00%	3.00%	3.00%
Tonnage of appliance/scrap metal	521	380	615	650
White goods revenue	\$59,678	\$40,000	\$89,608	\$63,000

**Program:** Yard Waste Composting Facility **Solid Waste Fund:** \$415,398  
**FTEs:** 1

**Goal:** Thriving Livable Neighborhoods

**Objective:** Develop and implement strategies to promote environmentally sound practices (to include the diversion of reusable and recyclable products from the waste stream thus increasing the diversion rate).

**Initiative:** Train staff through a DENR-approved composting operations and maintenance certification program.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Tonnage of yard waste collected	14,533	15,020	14,500	14,700
Yard waste tipping fee revenue	\$136,311	\$127,730	\$134,549	\$135,963



**Program:** Hazardous Household Waste

**Solid Waste Fund:** \$155,819

**FTEs:** 1

**Goal:** Thriving Livable Neighborhoods

**Objective:** To divert household hazardous waste (HHW) away from the waste stream and out of the environment.

**Initiative:** Contract for safe disposal of household hazardous waste.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Pounds of HHW collected	340,749	295,000	298,000	315,000
# Pounds of E-Waste collected	400,454	230,000	365,250	355,000

**Program:** Scrap Tire disposal

**Solid Waste Fund:** \$239,674

**FTEs:** 1

**Goal:** Thriving Livable Neighborhoods

**Objective:** To divert tires from entering into the waste stream.

**Initiative:** Educational forums for citizens on tire disposal's impact on the waste stream and effective tire recycling.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Tons of tires collected	2,588	2,800	2,650	2,750
Tire disposal revenue (residents)	\$4,476	\$2,500	\$5,408	\$5,400

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#### **BUDGET ISSUES FOR FY 2017-18**

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- Maintaining a high level of service as the City continues to grow.
- Continued development and implementation of new waste reduction and diversion measures following Waste Characterization Study.
- Monitoring recycling commodity markets.

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#### **ACCOMPLISHMENTS FOR FY 2016-17**

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- New navigation system implemented resulting in more efficient collections.
- Installation of downtown compactors.
- Successful negotiation of new cart purchase contracts.

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#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

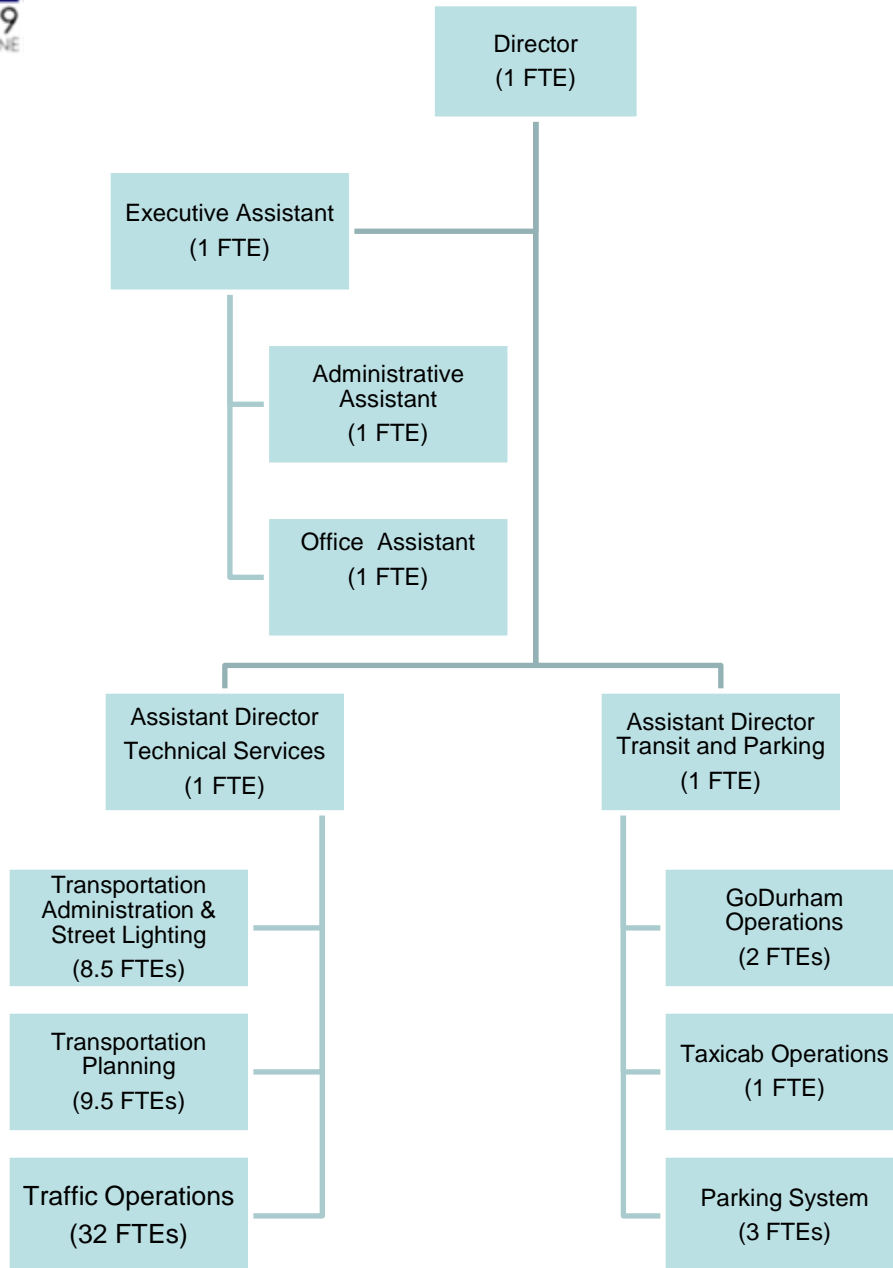
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- Greater diversion of waste from disposal.
- Implementation and evaluation of an organics composting pilot program.
- Improved efficiency and customer service through bringing cart services in-house.
- Installation of additional compactors downtown.



# Transportation

(62 FTEs)



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## TRANSPORTATION

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### **Purpose Statement:**

To serve our citizens, businesses and visitors by ensuring a safe, efficient, accessible and convenient transportation system that meet our City's interests and enhance the quality of life of our citizens, today and into the future.

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### DEPARTMENT DESCRIPTION

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#### **Transportation Department**

**General Fund: \$8,279,008**  
**47.5 FTEs**  
**Transit Fund: \$20,769,725**  
**Parking Fund: \$3,548,128**  
**3 FTEs**  
**Grant Funds: 8,603,875**  
**11.5 FTEs**

#### **Transportation Services**

Transportation Services includes the Office of the Director, development review services, project planning, transportation planning, bicycle and pedestrian activities, and administration of the City's Passenger Vehicle for Hire program. Transportation Planning functions include fulfillment of Federal and State requirements for comprehensive multimodal transportation planning, including updates of the Long Range Transportation Plan, transportation systems monitoring and reporting, travel demand model forecasting, bi-annual development of the Transportation Improvement Program, state and regional project coordination, and related Clean Air Act compliance. Services include administrative support for the Metropolitan Planning Organization's advisory Technical Committee and Policy Board. Transportation planning is funded primarily through grant funds with a City match. The City's Passenger Vehicle for Hire program includes issuance and regulation of operator and driver permits, vehicle inspections, driver training, and administrative support to the City Council's Passenger Vehicle for Hire Subcommittee and the Passenger Vehicle for Hire Commission.

#### **Traffic Operations**

Traffic Operations includes the operation and maintenance of the City's traffic signals, traffic control signs, street name markers, and pavement markings. This includes operation of the City's traffic signal computer system which coordinates signal timing operations throughout the City and adjacent urban area. Other functions include studies, design, and construction management of traffic signal and pavement markings projects.

#### **Street Lighting**

The Street Lighting Program includes the utility cost for nearly 22,000 street lights, which are owned and operated by the City's two electric service providers: Duke Energy Carolinas and Piedmont Electric Membership Corporation.

#### **Transit**

Transit service functions include the administration, planning and operation costs of the City's public mass transit system, GoDurham. Effective October 1, 2010 Triangle Transit assumed oversight responsibility for the City's fixed route and Paratransit services. This new arrangement includes former City staff as well as shared resources between the City and Triangle Transit and provides expanded and broad support for the City's transit system. The GoDurham fixed route service provides citizens with alternative transportation options and is essential to transit dependent riders which often include senior citizens and students. The GoDurham Paratransit service (ACCESS) is a transportation option for citizens whose disabilities prevent them from using the fixed route service. Both services improve mobility, job access, and the quality of life within the community. Fixed route and ACCESS service is provided by a private contractor managed by GoTriangle.

#### **Parking**

The Division of Parking Management is charged with managing every aspect of the City's public parking programs, including off-street and on-street parking systems, the Controlled Parking Residential Area Program, general and specialized operations, facility maintenance and capital improvement projects. The Division manages

the operations of the parking facilities providing access to monthly, hourly and special event users and is responsible for auditing and reporting parking facility specific revenues and expenditures. The unit also manages third-party contracts and operating agreements with entities for parking-related matters. In addition, the Division oversees the contract with Republic Parking Systems, who is responsible for the day-to-day operations and general housekeeping maintenance and security, as well as on- and off-street enforcement of parking regulations.

## RESOURCE ALLOCATION

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$ 3,737,578	\$ 3,715,396	\$ 3,602,470	\$ 3,872,496	4.2%
Operating	22,527,921	25,259,215	26,516,525	27,007,489	6.9%
Capital and Other	100,715	626,654	647,170	278,459	-55.6%
Transfers	2,113,881	1,782,293	2,108,137	1,438,417	-19.3%
Total Appropriations	\$ 28,480,095	\$ 31,383,558	\$ 32,874,302	\$ 32,596,861	3.9%
Full Time Equivalents	48.5	48.5	48.5	50.5	2
Part Time	1	1	1	1	-
Revenues					
Discretionary	\$ 6,646,155	\$ 7,012,710	\$ 7,063,780	\$ 7,266,058	3.6%
Program	997,775	1,017,950	1,050,565	1,012,950	-0.5%
Total General Fund	\$ 7,643,930	\$ 8,030,660	\$ 8,114,345	\$ 8,279,008	3.1%
Transit Fund	18,131,026	20,171,073	21,572,908	20,769,725	3.0%
Parking Fund	2,705,139	3,181,825	3,187,049	3,548,128	11.5%
Total Revenues	\$ 28,480,095	\$ 31,383,558	\$ 32,874,302	\$ 32,596,861	3.9%
Grants					
Transportation Planning Grant					
Personal Services	\$ 1,110,430	\$ 1,190,000	\$ 1,268,000	\$ 1,269,500	6.7%
Operating	1,130,649	1,525,731	1,510,000	1,503,396	-1.5%
Total Appropriations	\$ 2,241,079	\$ 2,715,731	\$ 2,778,000	\$ 2,772,896	2.1%
Full Time Equivalents	9.5	9.5	9.5	9.5	-
Part Time	2	2	2	2	-
Transportation Planning Grant Revenues	\$ 2,241,079	\$ 2,715,731	\$ 2,778,000	\$ 2,772,896	2.1%
Transit Grant					
Personal Services	\$ 167,750	\$ 171,413	\$ 176,538	\$ 182,744	6.6%
Operating	4,012,939	4,049,242	4,044,117	4,057,362	0.2%
Capital and Other	62,585	2,288,722	2,288,722	1,590,873	-30.5%
Total Appropriations	\$ 4,243,274	\$ 6,509,377	\$ 6,509,377	\$ 5,830,979	-10.4%
Full Time Equivalents	2	2	2	2	-
Part Time	-	-	-	-	-
Transit Grant Revenues	\$ 4,243,274	\$ 6,509,377	\$ 6,509,377	\$ 5,830,979	-10.4%
Total Budget	\$ 34,964,448	\$ 40,608,666	\$ 42,161,679	\$ 41,200,736	1.5%

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**DEPARTMENT PROGRAMS & PERFORMANCE MEASURES**

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**Program:** Transportation Services **General Fund:** \$1,666,192  
**FTEs:** 15.5  
**Grants:** \$2,772,896  
**FTEs:** 9.5

**Goal:** Thriving and Livable Neighborhoods

**Objective:** To plan, operate and maintain safe and efficient transportation systems for the City by reviewing 95% of Traffic Impact Analyses (TIA) within 60 days and site plans within allotted review times.

**Initiative:** Assign a development review staff person with primary responsibility for Traffic Impact Analysis and use on-call development review services as development applications warrant.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# TIAs reviewed	19	12	17	17

**Goal:** Thriving and Livable Neighborhoods

**Objective:** To ensure safe, reliable and customer-friendly vehicle for hire service effectively and efficiently enforcing the Passenger Vehicle for Hire Ordinance and regulations by inspecting 100% of all vehicles for hire and drivers' eligibility requirements annually.

**Initiative:** Inspect all vehicles for hire annually for compliance with established vehicle insurance, equipment, condition, appearance, and safety standards, and annually review all driver permit applications and renewals to ensure driver standard's compliance.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# of Passenger Vehicles for Hire inspected annually	210	210	200	200
# of Drivers permitted	153	167	167	167

**Program:** Traffic Operations **General Fund:** \$3,112,166  
**FTEs:** 31

**Goal:** Thriving and Livable Neighborhoods and Stewardship of City's Physical Assets

**Objective:** To operate and maintain a well-managed traffic signal system with 90% of signalized intersections operating at Level of Service (LOS) D or better by analyzing traffic volumes and signal timing plans for all traffic signals once every eighteen months to ensure minimum vehicle delay and maximum efficiency.

**Initiative:** Conduct peak-hour turning movement counts and traffic analysis all traffic signals every two years.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# Signals maintained	409	412	419	425
# Signals maintained per FTE	45.4	45.8	46.6	47.2
% Signals operating > LOS D	97%	97%	97%	97%

**Goal:** Stewardship of City's Physical Assets

**Objective:** To maintain well-marked, highly visible pavement markings to ensure efficient traffic operations and public safety by restriping 50% of the pavement lane markings (90 miles/year), 75% of all stop bars and crosswalks (20,000 ft. /yr.), and 50% of all pavement symbols (600/yr.) once every five years.

**Initiative:** Maintain an inventory of all pavement markings, monitor established life-cycles and conduct routine field inspections which ensure conformance with Manual on Uniform Traffic Control Devices (MUTCD) maintenance schedules.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# Miles of lane markings striped	61	90	70	90
# Feet of markings striped per labor hour	524.77	420	500	500
# Feet of crosswalks & stop bars striped	23,075	22,000	24,000	22,000
# Feet of crosswalks & stop bars striped per labor hour	37.3	33.0	40.0	40.0

**Program:** Street Lighting **General Fund:** \$3,500,650  
**FTEs:** 1

**Goal:** Safe and Secure Community and Thriving Livable Neighborhoods

**Objective:** To maintain a safe and efficient transportation system by improving street lighting, reviewing and implementing new street lighting requests as submitted by the Durham Police Department, citizens, PACs, or as identified by traffic safety studies and road construction project designs.

**Initiative:** Issue design and installation requests to electric utility for 95% of all eligible projects within two weeks of receiving a sufficient petition or property owner notification.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
# New street lights installed	488	450	450	450
# Street lights per 1,000 capita	85	86	86	86

**Program:** Transit **Transit Fund:** \$20,769,725  
**Grants:** \$5,830,979  
**FTEs:** 2

**Goal:** Thriving and Livable Neighborhoods

**Objective:** To provide reliable fixed-route transit service to people who live, work, or play in Durham in order to connect them to the places that they want to go in a timely manner, increasing average riders per revenue hour 2.5% from 32.00 to 32.77, and maintain an on-time performance rate of 85% with an eventual target of 90% of all trip departures between the scheduled departure time and five minutes late.

**Initiative:** To monitor demand, modify and operate routes and schedules to improve service convenience and efficiency of service delivery, provide timely and accurate information, maintain facilities and equipment, improve safety and reliability, and promote a positive public image.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Average daily boards	18,949	20,892	20,460	21,500
Passengers per hour	29.98	32.00	30.10	32.77
Cost per revenue hour	\$85.53	\$90.18	\$87.00	\$95.52

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
On-time Performance	84.0%	88.0%	84.0%	85.0%

**Goal:** Thriving Livable Neighborhoods

**Objective:** To provide ADA paratransit service to people with limited mobility that cannot use the GoDurham fixed-route service of Durham in order to connect them to the places they want to go in a timely manner, cost-effectively meeting 2.12 passengers per hour, which is well above the peer baseline (1.50). In addition, maintaining on-time performance (83% within the 15 minute window and 94% on-time arrivals at appointments).

**Initiative:** To monitor demand, modify scheduling and procedures to improve service efficiency, transition people to the fixed route and other transit services, provide timely and accurate information, maintain facilities and equipment, improve safety and reliability, and promote a positive public image.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Operate paratransit service within 15 minutes of scheduled time	78.67%	85.0%	82.0%	83.0%
% of on-time arrival to appointments	N/A	92.0%	93.0%	94.0%
# Passengers per hour	2.14	2.16	2.12	2.12

**Program:** Parking **Parking Fund \$3,548,128**  
**FTEs: 3**

**Goal:** Innovative and High Performing Organization and Thriving Livable Neighborhoods

**Objective:** To increase overall performance with parking operations by collecting 72% of all citations.

**Initiative:** To reduce the balance of outstanding and uncollectable citations.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Collection of citations issued	74.57%	74.00%	85.00%	85.00%
% Increase in parking citations issued	13.43%	10.00%	9.00%	10.00%
% of Citations appealed vs. issued	3.47%	6.00%	3.00%	5.00%

**Goal:** Innovative and High Performing Organization and Thriving Livable Neighborhood

**Objective:** To increase the utilization of the City's off-street parking facilities

**Initiative:** Implement strategies to increase occupancy of parking facilities

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
Average occupancy in parking garages	70.09%	72.0%	79%	80%
Average occupancy off-street parking lots	56.97%	68.0%	80%	80%
Average revenue per space for garages and off-street lots	\$91.60	\$75.00	\$98.00	\$98.00

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#### BUDGET ISSUES FOR FY 2017-18

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- Manage limited resources without service impacts.
- Update the multi-year budget for the transit system.
- Update the multi-year budget for the Parking Enterprise Fund.
- Public/Private parking opportunities in the Downtown.
- Alternative modes of transportation to offset parking demand challenges.



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**ACCOMPLISHMENTS FOR FY 2016-17**

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- Optimized traffic signal timing at 200 intersections.
- Installed 70 miles of pavement markings.
- Installed/replaced 3,700 traffic signs.
- Updated the Durham Walks! Pedestrian Plan project priorities.
- Completed signalized pedestrian improvement projects at 14 intersections.
- Installed City's first green lane intersection markings for bicyclists on Chapel Hill Street and Club Boulevard.
- Added (3) miles of bicycle lanes.
- Started development of the Duke Beltline Master Plan.
- Installed 11 speed humps on three streets as part of the City's Speed Hump Program.
- Installed 450 new street lights.
- Began development of a Complete Streets Policy
- Initiated development of a Vision Zero Program with a goal of reducing traffic related fatalities to zero.
- Monitored over 95% of major facilities for congestion.
- Improved accessibility and amenities at GoDurham bus stops.
- Implemented a new route connecting residents in South Durham to Duke/VA Medical Centers and Duke University.
- Implemented extended transit service on Sundays (until 9pm).
- Implemented other transit service improvements.
- Installed new routers onboard buses for greater AVL functionality.
- Implemented a new paratransit communications system that provides phone, email, and/or SMS text messages to customers about when their vehicle is nearing their pickup location, next day reservation reminders, adverse weather alerts, and more.
- Transported 20,460 daily fixed-route customers and over 500 daily ADA paratransit customers.
- Conducted a new 5-Year Transit Plan for GoDurham Services.
- Installed new HD 10-camera video surveillance systems onboard 31 GoDurham buses.
- Implemented free Wi-Fi onboard all GoDurham buses.
- Implemented extended transit service on Sundays (until 9pm).
- Completed minor refurbishment of six buses.
- Anticipated 28% reduction in preventable accidents compared to previous fiscal year.
- Received delivery of and put into service 11 new light transit vehicles and 3 ADA minivans for the GoDurham ACCESS service.
- Resurfaced 3 surface parking lots.
- Implemented new paid on-street parking management system.
- Implemented new off-street parking access and revenue control equipment.
- Launched Pay-By-Phone payment functionality.
- Hosted a U.S. Department of Transportation's Women in Transportation Summer Intern for the 3<sup>rd</sup> consecutive year in the Parking Division.
- Commenced elevator modernization projects in the off-street parking garages.
- Implemented enhanced preventative maintenance plans for the off-street parking garages.
- Increased security and surveillance programs in the off-street parking garages to provide 24/7 coverage.
- Implemented centralized revenue counting and reconciliation control center for parking operations.
- Implemented computerized maintenance and work order system for parking facilities.
- Hired new Assistant Parking Administrator position.
- Commenced planning for the new mixed-use parking garage.
- Enhanced the Park Durham website.

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**ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

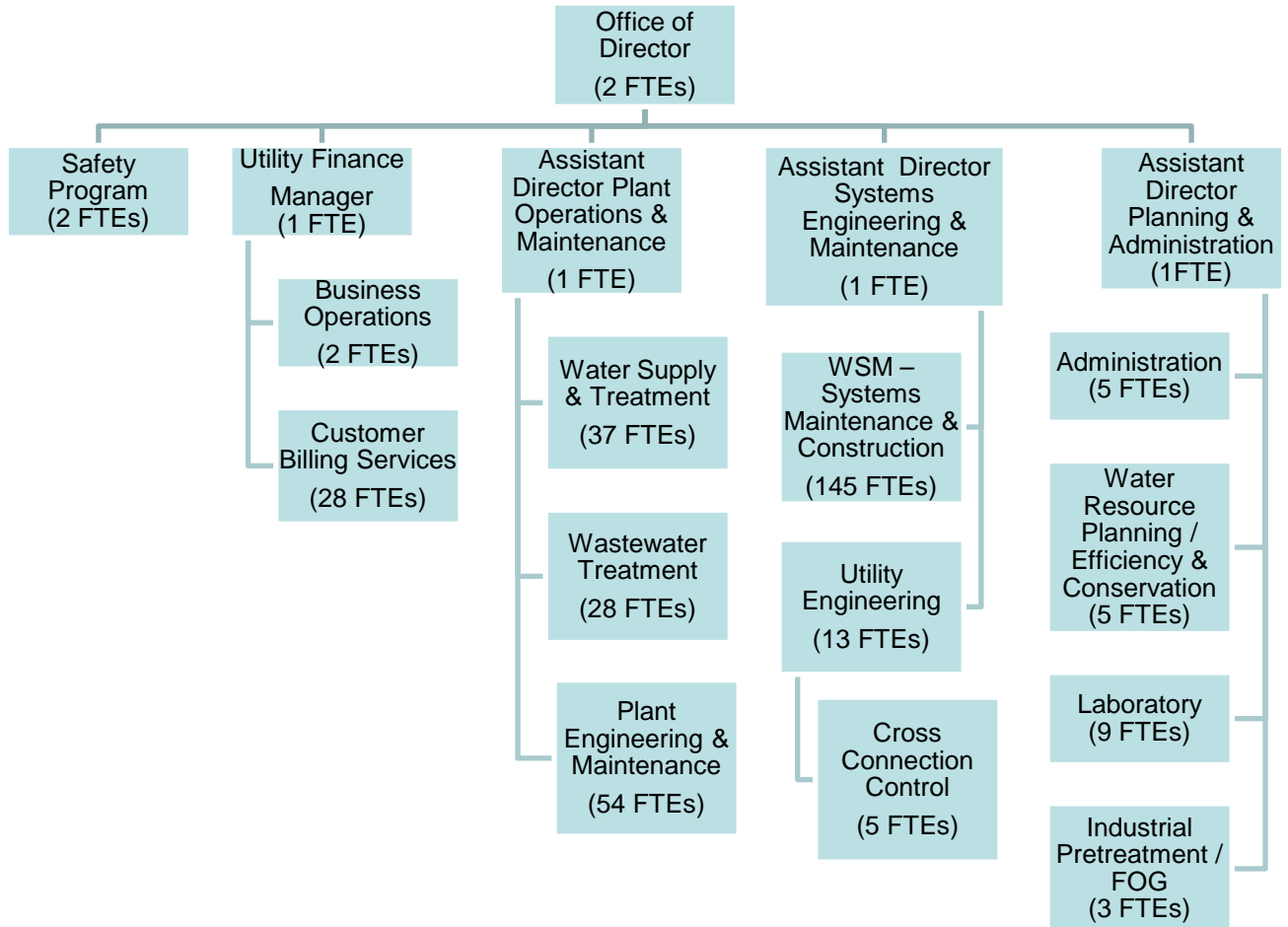
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- Optimize traffic signal timing at 200 intersections.
- Install 90 miles of pavement markings.
- Install/replace 3,700 traffic signs.
- Continue to enhance bicycle and pedestrian amenities.
- Update the Durham Walks! Pedestrian Plan project priorities.
- Complete the Duke Beltline Master Plan.

- Continue the City's Speed Hump Program with traffic studies, petitions, installations.
- Amend Passenger Vehicle for Hire Ordinance to address digital dispatching services.
- Install 450 new street lights.
- Complete the development of a Complete Streets Policy.
- Continue a Vision Zero Program with a goal of reducing traffic related fatalities to zero.
- Begin coordinating design work with NCDOT on the Durham Signal System replacement project.
- Monitor at least 90% of major facilities for congestion.
- Transport 21,500 daily fixed-route customers and over 500 daily ADA paratransit customers.
- Continue improving accessibility and amenities at GoDurham bus stops.
- Receive delivery of and put into service 15 new 40ft low-floor buses for the GoDurham bus service, and 5 new light transit vehicles for the GoDurham ACCESS service.
- Replace the radio systems onboard all fixed route and paratransit vehicles.
- Conduct an on-board customer satisfaction survey of the GoDurham system that will provide statistically valid results for each route and at the system-level.
- Complete repowering (engine replacement) on 7 GoDurham buses.
- Complete refurbishment of 7 GoDurham buses.
- Replace hybrid batteries on up to 20 GoDurham buses.
- Begin construction of the new mixed-use parking garage.
- Implement centralized command center to monitor video surveillance activities.
- Expand Pay By Phone operations, utilization and services.
- Negotiate a new Contract for Parking Management Services.

# Water Management

FY 2018 (342 FTEs)



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## WATER MANAGEMENT

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### **Purpose Statement:**

To provide cost effective water and wastewater services that meet customers' expectations and all regulatory requirements.

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### DEPARTMENT DESCRIPTION

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#### **Water Management**

**Water and Sewer Fund: \$44,281,302**  
**341.5 FTEs**

**Solid Waste Fund: \$267,200**  
**0.5 FTE**

The Department of Water Management provides critical services for public health and safety by providing water that is safe to drink and use for other key purposes including fire protection. Additional functions include ensuring sustainable, reliable operations of water supply and water and wastewater treatment facilities. Standardized operations of the wastewater collection system and treatment facilities protect the public's health and safety, the environment, and downstream users. Through the delivery of these vital services, the department supports the City's goals of maintaining a strong and diverse economy; providing a safe and secure community; and thriving, livable neighborhoods. Attention to security for water and wastewater facilities and systems remains an integral part of operations for reliable short and long-term needs. The department champions the City's goal of stewardship of our physical assets through effective maintenance and improvement activities. Through self-evaluation, benchmarking opportunities, and other sound business practices, the department pursues efforts to remain competitive with other cities and utilities, while promoting a positive image for the City and the services provided. Support for expanded automation of plant operations continues with the goal of maximizing chemical and power efficiencies, despite increasingly stringent regulatory requirements and escalating energy costs. The department is committed to ensuring Durham citizens live and work in an innovative and high performing City with efficient and accountable provision of water and sewer services by improving reliability and maximizing staff deployment. Implementation of the long-range Capital Improvement Plan continues to be a focus to promote stewardship of the City's physical assets. Staff will continue to develop appropriate tools to expand departmental financial management strategies.

#### **Administrative Work Units**

##### Administration

Administration is tasked with the management, oversight, and planning necessary to provide adequate and sustainable water supplies and treatment capacity for both drinking water and wastewater, in order to meet the needs of a growing community and provide the foundation for a prosperous economy. Personnel are responsible for the fiscal management of the Water and Sewer fund and administering a broad range of environmental programs to ensure citizens are safe, enjoy a flourishing economy and healthy environment, and have an efficient and accountable city government. These efforts provide critical services to the citizens of Durham related to water quality, wastewater treatment, and industrial/commercial activity. Administrative staff is also responsible for addressing regulatory concerns, monitoring legislative activity, and coordinating public information activities.

##### Customer Billing Services

This division is the first point of contact for most customers in the service area. Staff provides billing services for the utility which include responding to customer inquiries, establishing new accounts, closing accounts for customers who move out, updating customer accounts for any changes, and enforcing collection of charges from active customers.

##### Industrial Waste Control/FOG Program

This program administers the City's mandated Industrial Waste Pretreatment/Fats, Oils and Grease Program under the City's Sewer Use Ordinance, the WRF NPDES permits, and the Collection System Permit. Staff also conducts active public education, outreach, and advertising campaigns to promote public awareness of proper grease disposal.

## Laboratory Services

The Laboratory Services Section of the department, located at the South Durham Facility, provides lab analysis in the State certified laboratory for the water, wastewater, industrial waste, and stormwater programs. This ensures citizens enjoy an efficient and accountable city government while assuring drinking water meets state and federal standards and wastewater discharges meet permit limits to protect the environment and downstream users.

## Water Resources Planning/Water Efficiency & Conservation Program

The Water Efficiency and Conservation Program supports water supply management strategies by tracking compliance with the year-round water irrigation measures, implementing the water efficiency rebate program and active advertising, and marketing of water efficiency programs and practices. This workgroup is responsible for long-range planning to ensure the City is poised to meet community demands for a viable, sustainable, innovative, and high-performing City. This effort also includes oversight of land acquisition efforts in Durham's watershed for protection of our high quality water resources.

## **Operations and Maintenance**

### Water Supply and Treatment

The key mission of this division is to provide a safe, reliable, economical, and sufficient supply of drinking water to the citizens of Durham City and County. Through optimizing treatment processes, maximizing water transfer strategies, and conducting monitoring activities, staff ensures adequate supplies of consistently high quality drinking water are available. The Water Supply and Treatment Division operates and maintains two conventional water treatment facilities with a combined treatment capacity of 52 million gallons per day (MGD), and two surface water reservoirs with a combined safe yield of 27.9 MGD. Certified staff operates equipment and adjusts treatment technologies to optimize the physical and chemical processes vital for effective water treatment and selects pumping scenarios to assure adequate supplies at economical costs. Major projects are under way, and include expanding capacity at Brown Water Treatment Plant from its current 30 MGD to 42 MGD; installing advanced System Control and Data Acquisition (SCADA) systems at the Brown and Williams plants; and providing reliable and permanent residuals handling facilities at both plants.

### Wastewater Treatment

Charged with providing the citizens of Durham with cost effective, wastewater treatment and residuals management, certified staff optimizes the treatment processes so the North Durham and South Durham facilities discharge consistently high quality effluent in compliance with State permit requirements. The North and South Durham workgroups operate and maintain state-of-the-art tertiary treatment facilities, each with a permitted capacity of 20 MGD. Both facilities are tasked with developing operational strategies to reduce the discharge of nutrients into receiving streams in accordance with state mandates such as the Falls and Jordan Lake Rules. Numerous facility upgrades are either under way or in the planning phase to meet stringent water quality or biosolids disposal regulations.

### Plant Engineering and Maintenance

The Plant Engineering and Maintenance division provides essential support for water and wastewater facilities, pump stations, raw water lake facilities and elevated storage tanks by providing both major corrective maintenance and conducting minor construction activities. This division also provides support in the long-term maintenance of the closed landfill. Expenses for these support services are apportioned to the appropriate core services of water and wastewater as they relate to performance indicators.

## **Systems Engineering, Maintenance and Construction**

### Water and Sewer Maintenance

The Water and Sewer Maintenance division provides routine and emergency maintenance to the water distribution and wastewater collection systems as well as the installation of new service lines. Tasks include the inspection, cleaning, and repair of water mains and sewer trunk lines. This division also operates and maintains fire hydrants and water valves, and installs and repairs water and sewer service connections. This workgroup is also responsible for reading water meters using automated meter reading technology and providing routine and

emergency response to water meter problems, including leaks, unusual consumption rates, and water pressure concerns. Employees in the field services unit provide routine connection and disconnection services for customers. Additional activities include maintenance of outfalls and easements to ensure access to City infrastructure.

#### Utility Engineering

Utility Engineering manages the ongoing evaluation and improvement of departmental facilities and engineering projects for water and wastewater facilities as a part of the Capital Improvements Program. This unit also provides water distribution and wastewater collection system monitoring and analytical support necessary for detecting inflow and infiltration problems. Additionally, the program has oversight of manhole rehabilitation and replacement projects, supplemental flow studies, and major pipeline reconstruction and renewal services for both the water distribution and wastewater collection systems.

#### Cross-Connection Control Program

Program staff implements the City's Cross-Connection Control Ordinance to ensure the protection of the potable water system. Tasks include monitoring annual testing of backflow prevention devices (BFP), reviewing plans, conducting inspections of BFP installations, and training BFP testers.

#### Post-Closure Monitoring

This service area provides oversight for the monitoring and maintenance of the closed landfill and is supported by the Solid Waste Fund. With the implementation of the landfill gas to power project, there is a revenue stream associated with this function.

### **RESOURCE ALLOCATION**

	Actual FY 2015-16	Adopted FY 2016-17	Estimated FY 2016-17	Proposed FY 2017-18	Change
Appropriations					
Personal Services	\$20,218,768	\$22,595,850	\$20,391,174	\$23,652,594	4.7%
Operating	19,423,953	20,672,757	21,862,964	20,845,908	0.8%
Capital and Other	203,673	218,000	329,817	50,000	-77.1%
Total Appropriations	\$39,846,394	\$43,486,607	\$42,583,955	\$44,548,502	2.4%
Full Time Equivalents	333	336	336	342	6
Part Time	2	2	2	2	-
Revenues					
Water and Sewer Fund	\$39,703,562	\$43,230,475	\$42,386,181	\$44,281,302	2.4%
Solid Waste Disposal Fund	142,831	256,132	197,774	267,200	4.3%
Total Revenues	\$39,846,393	\$43,486,607	\$42,583,955	\$44,548,502	2.4%

### **DEPARTMENT PROGRAMS & PERFORMANCE MEASURES**

<b>Program:</b>	Administration	<b>Water &amp; Sewer Fund:</b>	<b>\$2,382,161</b>
		<b>FTEs:</b>	<b>15</b>
<b>Goal:</b>	Thriving and Livable Neighborhoods & Stewardship of the City's Physical Assets		
<b>Objective:</b>	To sustain the community's drinking water needs by maintaining water demand/supply capacity percentage at 80% or less.		

**Initiative:** To monitor annual demands, track daily and monthly demands and trends and project future raw water demands to meet system growth needs. Initiate planning for future expansion and/or increased allocation prior to reaching 80% benchmark.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
Annual demand as a percent of water supply volume	65%	73%	74%	74%

**Objective:** To ensure adequate wastewater treatment capacity for community needs by maintaining treatment plant discharges/treatment plant capacity percentage at 80% or less.

**Initiative:** Track monthly discharge flows and trends and monitor treatment flows as a percentage of the rated capacities and project future system needs for capacity and process treatment. Initiate planning for expansion or upgrades prior to reaching 80% benchmark.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
Wastewater Average annual flow as a percentage of rated capacity	48%	50%	50%	51%

**Program:** Customer Billing Services **Water & Sewer Fund:** \$2,752,279  
**FTEs:** 28

**Goal:** Well-Managed City

**Objective:** To enhance and increase customer responsiveness by promptly answering telephone calls transferred from Durham One Call.

**Initiative:** Closer monitoring of incoming phone call levels and managing staffing levels/training to minimize wait time for assistance and call abandonment which compounds difficulty when customers call back.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
Average minutes hold time in queue before answer	2.5	2.5	4.0	2.5
% of Callers who abandon (hang up) call prior to CBS staff answering.	11.75%	10.00%	18.00%	10.00%

**Objective:** Enforce ordinances and collection policies for water and sewer services and reduce the number of accounts delinquent more than 60 days to less than 10% of accounts billed.

**Initiative:** Aggressively enforce cut-offs for non-residential accounts. Review aging reports to monitor effectiveness of cut-off strategy.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
% of Active Accounts delinquent more than 60 days	3.37%	5.00%	3.50%	3.50%

**Program:** Plant Engineering and Maintenance **Water & Sewer Fund:** \$5,343,692  
**FTEs:** 54

**Program:** Laboratory Services **Water & Sewer Fund:** \$960,392  
**FTEs:** 9

**Program:** Industrial Waste Control/FOG **Water & Sewer Fund:** \$346,479  
**FTEs:** 3

**Program:** Water Resources/Water Efficiency & Conservation **Water & Sewer Fund:** \$694,091  
**FTEs:** 5

**Program:** Cross Connection Control **Water & Sewer Fund:** \$541,142  
**FTEs:** 5

**Goal:** Thriving and Livable Neighborhoods & Stewardship of the City's Physical Assets

**Objective:** To protect the City's potable water supply by implementing and enforcing the City's Cross Connection Control Ordinance and achieve compliance with annual backflow preventer (BFP) testing as mandated by the City's Cross Connection Control Ordinance.

**Initiative:** Maintain database, conduct inspections, mail notices and review test and maintenance submittals monthly to ensure compliance with ordinance requirements.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of BFP owners conducting & submitting reports as required	89%	89%	89%	89%

**Program:** Water Supply and Treatment **Water & Sewer Fund:** \$8,075,432  
**FTEs:** 37

**Goal:** Stewardship of the City's Physical Assets

**Objective:** To provide customers with a sufficient and aesthetically pleasing supply of safe drinking water, meeting all regulatory requirements, in a cost efficient manner.

**Initiative:** To produce drinking water that meets all regulatory requirements, while monitoring operations at the reservoirs and water treatment facilities to ensure cost efficiencies are consistently applied.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% Compliance with Federal and State drinking water quality standards	100%	100%	100%	100%
Treatment cost per million gallons of treated water.	\$896.95	\$919.77	822.24	855.13

**Objective:** To maintain water quality throughout the distribution system consistent with the water quality produced at the treatment plants.

**Initiative:** Monitor the water quality in the distribution system and respond to customer calls and concerns. If results are found to be outside water quality targets, the issue is evaluated, recorded and steps taken to resolve the concern.

<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
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<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# Water Quality investigations/month requiring corrective action (outside established criteria)	2	3	2	2

**Program:** Wastewater Treatment **Water & Sewer Fund:** \$8,682,354  
**FTEs:** 28

**Goal:** Thriving and Livable Neighborhoods & Stewardship of the City's Physical Assets  
**Objective:** To provide citizens with cost effective wastewater treatment and residuals management while ensuring compliance with all current and future regulations (Falls Lake & Jordan Lake Rules) by reducing discharges of nutrients (Nitrogen and Phosphorus) into the receiving streams.  
**Initiative:** Optimize processes and construct facilities to reduce levels of Nitrogen and Phosphorus discharged.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
<b>NDWRF:</b>				
Lbs. of N** (335,435 allowed)*	70,325	81,000	81,000	81,000
Lbs. of P (10,631 allowed)*	2,789	2,500	2,500	2,500
<b>SDWRF:</b>				
Lbs. of N (334,705 allowed)*	194,767	185,345	175,000	180,000
Lbs. of P (14,053 allowed)*	9,685	8,500	7,500	8,000

\*Calendar year

\*\* ND permit limits for CY 2016 for N - 97,000 lbs.

**Program:** Water & Sewer Maintenance **Water & Sewer Fund:** \$12,883,577  
**FTEs:** 145

**Goal:** Innovative and High Performing Organization & Stewardship of City's Physical Assets  
**Objective:** To ensure the operational functionality of the City's sanitary sewer collection system by providing timely and efficient routine maintenance, reducing instances of emergency maintenance, and controlling Sanitary Sewer Overflows (SSOs), to the extent practicable, so that wastewater flows from customers reach water reclamation facilities for appropriate treatment.  
**Initiative:** To maintain sewer collection system in good condition and meet sewer collection system permit requirements.

	<b>Actual</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Proposed</b>
<b>Measures:</b>	<b>FY16</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>
# of Repeat SSOs	1	0	0	0
% of Total sewer system cleaned per year to meet regulatory requirement	11.00%	12.00%	15.50%	12.00%

**Goal:** Innovative and High Performing Organization  
**Objective:** To ensure the city measures the amount of water sold accurately and responsibly.

**Initiative:** Identify and resolve AMR meter failures and regularly test large meters to ensure accuracy in both large and residential meters.

<b>Measures:</b>	<b>Actual FY16</b>	<b>Adopted FY17</b>	<b>Estimated FY17</b>	<b>Proposed FY18</b>
% of 3" and larger meters within AWWA recommendation for accuracy per month	100%	99%	100%	99%
<b>Program:</b> Utility Engineering	<b>Water &amp; Sewer Fund: \$1,619,703</b> <b>Solid Waste Fund: \$267,200</b> <b>FTEs: 13</b>			

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#### BUDGET ISSUES FOR FY 2017-2018

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- Maintain current levels of water and wastewater services. Energy and chemical costs constitute a substantial portion of water and wastewater treatment costs. Energy and chemical expenditures reflect the costs of meeting increasingly stringent standards for drinking water quality and wastewater discharges.
- Expand efforts to improve revenue for the utility to continue to address CIP funding and the long-term financial health of the Water & Sewer Fund. Continue to evaluate opportunities to enhance revenue streams through on-going improvements and enhancements to MUNIS Utility Billing System and intensified delinquent account collection practices.
- Continue efforts to enhance long range plans for system reliability and water supply, both raw and treated water, which will require additional CIP funding. Predicted changes in weather patterns and climate may impact the reliability of current sources.
- Sustainable funding of infrastructure rehabilitation and replacement continues to be an issue of concern for the utility.
- Continue taking advantage of technological efficiencies with business processes and customer service delivery which will involve increased financial and human resources.

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#### ACCOMPLISHMENTS FOR FY 2016-17

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- Provided 27.17 Million Gallons per Day (MGD) of drinking water that met all state and federal water quality standards to Durham customers (calendar year).
- Discharged 19.12 MGD of highly treated effluent meeting all NPDES permit requirements into the receiving waters in the Neuse and Cape Fear basins (calendar year).
- Presented the EPA's 2016 WaterSense® Excellence Award for Excellence in Promoting WaterSense Labeled Products at the WaterSmart Innovations Conference in October.
- Artwork from winning Drinking Water Week (DWW) Poster selected for use in the American Water Works Association's 2017 National DWW campaign.
- Continued to implement the departmental Employee Satisfaction Survey Response plan.
- Based on the Triangle Regional Water Supply Plan, submitted allocation request in November 2015 to DENR/EMC requesting retention of current 10% allocation of Jordan Lake and additional allocation of 6.5% of the water supply pool of the Lake. Received requested allocation at EMC's March 2017 meeting. With Western Intake Partners, began collaboration on development of a regional intake on the western portion of the lake, transmission and treatment facilities, evaluating financing and governing options
- Completed training staff on the Collection System Management, Operations and Maintenance (MOM) Plan.
- Selected a Construction Manager At-Risk (CMAR) and Architect for the Water Management Facility Expansion.
- Reached substantial completion of the Downtown Loop Water Main Replacement project.
- Completed design and begin construction of Durham Central Park Waterline Replacement project.
- Began and completed construction of the North Durham WRF Generator Replacement project.
- Continued collection system repairs under Contract SR-61, Sanitary Sewer System Repairs.
- Completed the City-wide Reclaimed Water Master Plan.

- Updated the City's Water Shortage Response Plan incorporating use of hydrologic modeling to develop probabilistic triggers for implementation of different stages of the plan.
- Began development of a comprehensive watershed protection plan utilizing GIS tools to prioritize land acquisitions for water quality protection.
- Continued design and permitting of the FY 2014 WRF Improvements at North and South Durham WRFs.
- Began rehabilitation for the Lake Michie and Little River dams.
- Began construction of the Brown Water Treatment Plant Expansion and Williams WTP Upgrades.
- Began construction of the WTP Residuals Handling project at the Brown and Williams WTPs.
- Completed a Supervisory Control and Data Acquisition (SCADA) master plan for DWM plants and facilities.
- Trained additional instructors for the Smith Driving Program.
- Continued participation in interdepartmental Billing Processes Task Force designed to review City-wide billing with the objective of maximizing business efficiencies and the customer/citizen experience through improvements to billing efficiency and refining process to identify and remediate billing errors and irregularities.
- Hired Quality Improvement Specialist to focus on data integrity and clean up including ensuring all utility billing locations reflect current GIS address points and parcel numbers.
- Continued collaboration between customer service and water/sewer maintenance divisions to better coordinate billing and collection success including redrawing district lines to increase efficiency by balancing daily workloads and to improve service delivery by reducing travel times.
- Continued updating written procedures and process mapping for most customer service functions.
- Completed replacement of large meters with AMR capability to achieve 100% radio reads.

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#### **ANTICIPATED ACCOMPLISHMENTS FOR FY 2017-18**

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- In concert with Jordan Lake Partners, continue collaborative planning efforts to develop direct access to Jordan Lake with interested partners along with regional water transfer strategies to maximize water sources.
- Implement enhanced customer responsiveness through new/expanded technologies for payment options over the phone and web.
- Continue to implement tools and strategies to increase collection rates for water and sewer bills.
- Complete sewer replacement and rehabilitation projects at numerous sites.
- Begin contract for CIPP lining and manhole rehabilitation.
- Begin contract for sanitary sewer evaluation study (SSES) which includes CCTV inspection of sewer mains, smoke testing and manhole inspections.
- Begin design for the Water Management Facility Expansion.
- Continue construction of the Water Treatment Regulatory Compliance and Water Facilities Rehabilitation projects.
- Continue construction of the Water Treatment Plants Residuals Handling project.
- Begin design of the Downtown East-West Reinforcing Main.
- Continue design of the American Tobacco District Water Main Replacement Project.
- Continue design of the Southeast Regional Lift Station.
- Begin construction of Phase I of the WRF Improvements at North and South Durham WRFs
- Begin electronic submittal of monthly Discharge Monitoring Reports to DEQ for the South Durham Water Reclamation Facility.
- Continue to participate in the City's strategic plan implementation and more closely align the department's Strategic Plan.
- Continue succession planning effort for department, focusing on key/critical positions as a part of employee and leadership development within the department.
- Update departmental and divisional actions plans to incorporate issues noted in the 2017 Employee Satisfaction Survey. Expand intra-departmental communications through various means.
- Continue the implementation of an asset management system and integration of asset management culture throughout the Department.
- Continue support of professional development and certification attainment for all staff where applicable.
- Maintain emphasis on working safe, enhancing safety training to ensure worker safety while protecting the City's/department's investment in equipment/vehicles.
- Continue to develop a safety culture and programs that drive the Department closer to achieving the North Carolina Department of Labor SHARP status.
- Continue to train new employees and have current employees take refreshers as necessary via the Smith Driving System to reduce vehicle accidents.

- Enhance and expand public awareness of the department's activities through education, outreach and marketing campaigns with a focus on the water conservation/efficiency and the Fats, Oils and Grease programs; maintain and expand water efficiency incentive programs with a focus on low income families.
- Implement e-billing and electronic lobby wait line management software.
- Review customer service business processes and customer communications along with a quality assurance program to evaluate customer satisfaction and formulate appropriate response for continuous improvement.
- Upgrade utility software to enhance billing efficiency and customer service effectiveness
- Implement on-line application process for water and sewer service
- Work with NIS and Community Development to be able to promptly address high water bills caused by plumbing issues faced by tenants whose landlords are slow to make repairs and by low-income homeowners.

## DEBT MANAGEMENT

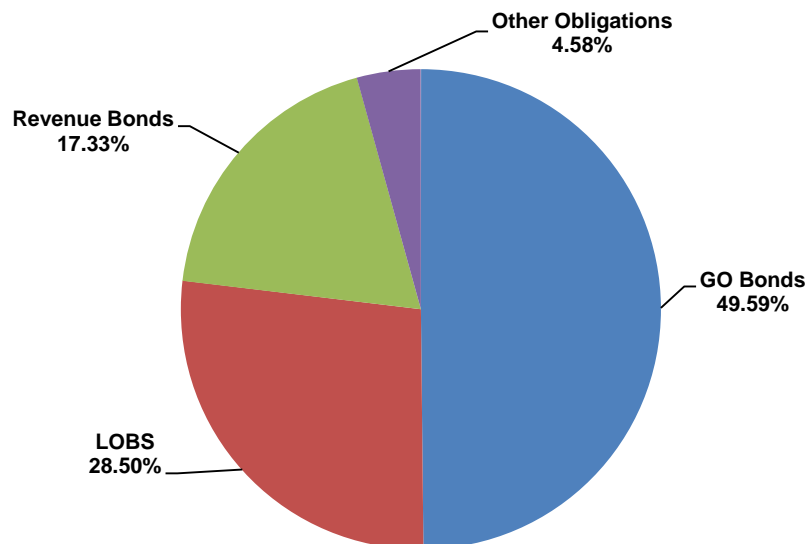
The City manages its long term financing needs through periodic issuance of General Obligation Bonds. Debt service expenditures include principal and interest payments on the City's outstanding bonded debt. These payments are budgeted in the funds that incur the debt: for example, water and sewer debt service is paid from the Water and Sewer Fund. In addition to General Obligation bonds, the City issues revenue bonds and enters into installment sales/lease obligations as allowed under state statutes.

**Ratings:** Bond ratings are measures of the City's credit worthiness. The rating agencies analyze the City's economic condition, debt management, administrative leadership, and fiscal planning and management to determine the quality of the City's credit. The City has a "triple A" rating from all three rating agencies (Standard and Poor's, Fitch Ratings Ltd. and Moody's Investor Service). This represents the highest possible rating for municipal debt, indicating that the City has outstanding credit worthiness. The City's high bond ratings have allowed it to broaden the market for its bonds and to lower the interest costs for borrowing.

### Summary of Outstanding Debt Issues

	Fiscal Year 2017-18 Obligations			Future Obligations		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
General Obligation Bonds	\$16,290,000	\$6,744,218	\$23,034,218	\$142,430,000	\$31,837,086	\$174,267,086
Revenue Bonds	3,750,000	2,226,650	5,976,650	53,745,000	23,473,844	\$77,218,844
Limited Obligation Bonds	9,625,000	3,101,813	12,726,813	77,335,000	22,296,014	\$99,631,014
<u>Other Obligations</u>	2,375,000	331,716	2,706,716	12,300,000	2,147,559	\$14,447,559
<b>Total Debt Service:</b>	<b>\$ 32,040,000</b>	<b>\$ 12,404,398</b>	<b>\$ 44,444,398</b>	<b>\$285,810,000</b>	<b>\$ 79,754,503</b>	<b>\$365,564,503</b>

**Outstanding Debt by Type of Issue  
FY2017-18**



**Legal Debt Limit:**

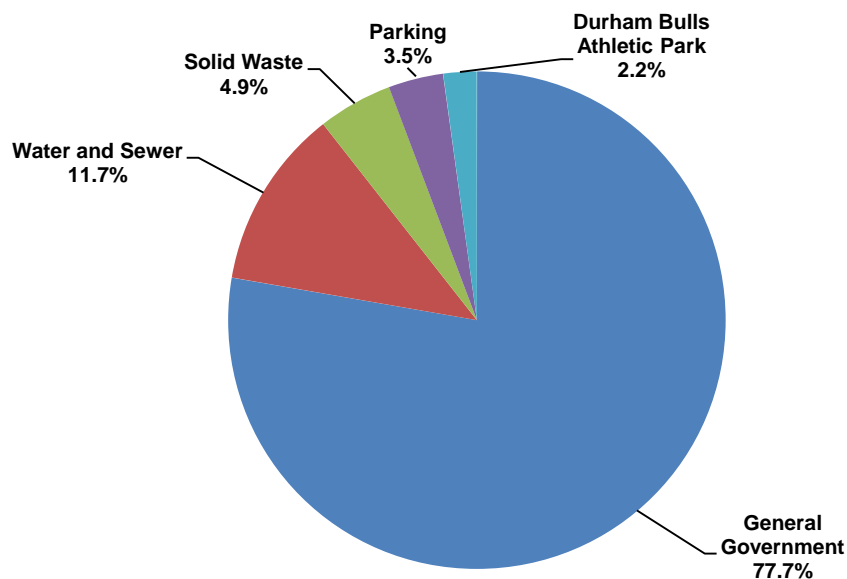
The City is subject to the Local Government Bond Act. The Act limits the net bonded debt that the City may have outstanding to eight percent of the appraised value of property subject to taxation. As of March 1<sup>st</sup>, 2017 the statutory limit for bonded debt for the City was \$2,148,709,839 providing a debt margin of approximately \$1,907,540,386.

**Outstanding General Obligation Debt**

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**General Obligations**

General Government	\$123,395,894
Water & Sewer	18,510,547
Solid Waste	7,706,874
Parking	5,651,232
Durham Bulls Athletic Park	3,455,454
<b>Total</b>	<b>\$158,720,000</b>

**Outstanding General Obligation Debt  
FY 2017-18**

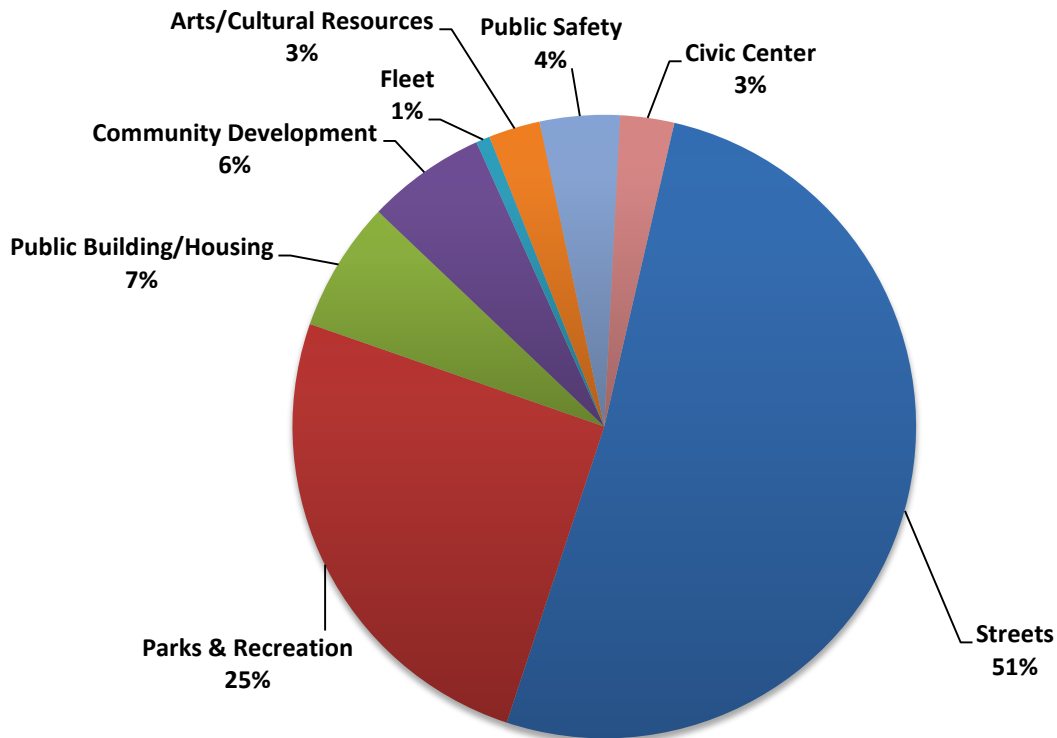
## Outstanding General Government General Obligation Debt

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### *General Government*

Arts/Cultural Resources	\$3,268,940
Public Building /Housing	8,348,462
Community Development	7,614,249
Parks and Recreation	31,179,040
Fleet/Public Transp	890,330
Public Safety	5,116,634
Civic Center	3,453,445
Streets	63,496,240
Technology	28,555
<b>Total</b>	<b>\$ 123,395,894</b>

### Outstanding General Government G.O. Debt FY 2017-18



## **Outstanding General Government General Obligation Debt**

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The City currently has no Authorized and unissued Debt

## **Outstanding Variable Rate Debt**

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The City currently has no Authorized and unissued Debt

## **Annual Principal and Interest Requirements FY 2017-18**

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<u>Issue</u>	<u>Debt Purpose</u>	<u>Principal</u>	<u>Interest</u>	<u>Future Principal Obligations</u>
GO-2007-A	Refund (98 99 00B 02 04)	3,650,000	896,419	14,425,000
GO-2008-B	05 & 07 authority (\$8 million Streets)	3,700,000	155,750	0
GO-2009-A	REFUNDING 98, 99, 00B, 02, 04	1,690,000	175,850	2,165,000
GO-2010-A	GO Series 2010A	2,195,000	1,180,369	28,470,000
GO-2012-A	General Obligation Bonds, Series 2012A	1,010,000	252,681	6,850,000
GO-2012-C	GO Bond Series 2012C 2005/2010 Bond Ref	2,230,000	1,415,250	33,430,000
GO-2012-D	GO Bond Series 2012D Refunding	975,000	394,350	8,670,000
GO-2015-A	General Obligation Refunding Bonds, Series 2015	840,000	2,273,550	48,420,000
HUD-2015-	Section 108 Loan	365,000	208,787	7,060,000
LEASE -2015	Fleet Refinancing	1,875,000	103,556	4,700,000
LOBS-2010-LOBA	LOBs 2010	1,225,000	826,284	15,880,000
LOBS-2010-LOBB	LOBs 2010 Fleet	1,075,000	19,366	0
LOBS-2010-R-1	2001 Refunded	665,000	98,000	1,955,000
LOBS-2010-R-2	2008 Refding Gen Fd	700,000	296,650	6,935,000
LOBS-2012-B	LOB Series 2012B Refunding COP 2005B	805,000	144,176	5,165,000
LOBS-2013-A	LOBS 2013A	2,255,000	468,981	9,690,000
LOBS-2013-B	LOBS 2013B	1,485,000	431,897	10,270,000
LOBS-2015-A	Taxable Refunding Limited Obligation Bonds Series 2015	1,415,000	816,460	27,440,000
REVENUE-2005-A	Revenue Refunding (1998, 2001 partial)	2,625,000	380,888	4,630,000
REVENUE-2011-R	Revenue Bond Series 2011	1,125,000	216,350	3,685,000
REVENUE-2016-A	Revenue Bond Refunding 2011	0	1,629,413	45,430,000
<u>STATE LOAN-2001-B</u>	<u>State Loan/Clean Water Revolving</u>	<u>135,000</u>	<u>19,373</u>	<u>540,000</u>
	<b>Total</b>	<b>\$32,040,000</b>	<b>\$12,404,398</b>	<b>\$285,810,000</b>



## **SECTION XII**

### **Capital and Grant Project Information**

Note for the Preliminary FY 2017 – 18 Budget

The final Capital Improvement Program book and grant project ordinances will be prepared prior to the adoption of the budget on June 19, 2017.

## **Section XIII**

### **Supplemental Information**

Note for the Preliminary FY 2017 – 18 Budget

Supplemental information will be included in the final Budget Book.